



TERAI TEA COMPANY LIMITED

REGD. OFFICE : 10, GOVERNMENT PLACE (EAST), 1ST FLOOR, KOLKATA-700 069, INDIA

Telephones : 91-33-4021-4444, Fax : 91-33-2248-9182

E-mail : teraitea@gmail.com • Website : www.teraignroup.com



To,
The Secretary
Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata-700001

Date: 28/08/2013

The Secretary
Ahmedabad Stock Exchange,
Kamdhenu Complex, opp: Sahjanand College
Panjaraple Ahmedabad-380015

The Secretary
Jaipur Stock Exchange Ltd.
Indra Place, J.L.N. Marg.
Malviya Nagar, Jaipur-302017

Dear Sir,

SUB: Submission of Annual Report for the Financial Year 2012-13

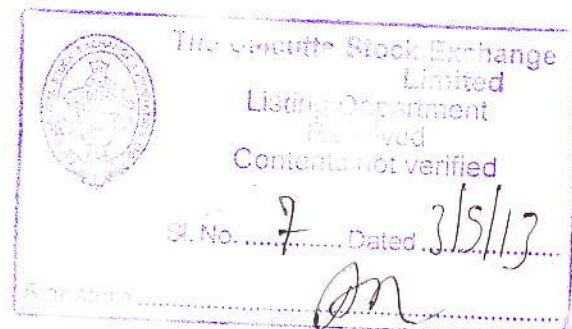
We are pleased to inform you that as per Clause 31 and 32 of Listing Agreement, we are enclosing herewith the six (6) copies of Annual Report of our company for the Financial Year 2012-13 along with the Cash Flow Statement for the same period.

You are therefore requested to kindly update the Exchange website with the same and treat the above as our Compliance.

The above is for your information and record.

Thanking You,
Yours Faithfully,
For, **Tera Tea Company Limited**

Roshan Dave
(Company Secretary)





TERAI TEA COMPANY LIMITED



40th

Annual Report
2012 - 2013

Corporate Social Responsibility



Terai Tea Co. Ltd., flagship company of **"Terai Group"** is promoting and patronizing **"Amit Agarwala Foundation"**, a Public Charitable Trust which is already running a **"Yatri Niwas"** and a **"Recreational Centre"**, both at Siliguri. The Foundation was established in the memory of Sri Amit Agarwala who left for his heavenly abode about seven years back.

Adding another feather to its cap, **"Amit Agarwala School for Blinds"** was inaugurated on 27th January 2013 at Girish Park, Kolkata by His Excellency Sri M. K. Narayanan, Hon'ble Governor of West Bengal, in the presence of a huge gathering of luminaries. Terai Group is committed towards its **"Corporate Social Responsibility"** by promoting such charitable and social projects.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Ajit Kumar Agarwala

Chairman & Managing Director

Mrs. Shashikala Agarwala

Non-Independent Director

Mr. Sitaram Sharma

Independent Director

Mr. Rajendra Kanodia

Independent Director

Mr. Kamal Kishore Bihani

Independent Director

Mr. Rajesh Singhania

Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Roshan Dave

AUDIT COMMITTEE

Mr. Kamal Kishore Bihani (*Chairman*)

Mr. Rajendra Kanodia

Mr. Sitaram Sharma

Mr. Rajesh Singhania

REMUNERATION COMMITTEE

Mr. Rajendra Kanodia (*Chairman*)

Mr. Kamal Kishore Bihani

Mr. Sitaram Sharma

Mr. Rajesh Singhania

SHAREHOLDER'/INVESTORS'

GRIEVANCE COMMITTEE

Mr. Rajesh Singhania (*Chairman*)

Mr. Kamal Kishore Bihani

Mr. Sitaram Sharma

Mr. Rajendra Kanodia

AUDITORS

P.K.Shah & Co.

Chartered Accountants

Hill Cart Road,

Siliguri - 734001

BANKERS

Central Bank Of India

Bank Of India

Yes Bank

SOLICITORS & LEGAL ADVISORS

Jhunjhunwala & Co.

Solicitors & Advocates

7C, K.S.Roy Road, Kolkata - 700001

SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, Kolkata - 700001

Ph.: (033) 2243-5029/5809

Fax: (033) 2248-4787

Email - mdpl@vsnl.net.in

REGISTERED OFFICE

10, Government Place (East),

1st Floor, Kolkata - 700069

Phone : (033) 40214411-44 (34 Lines)

Fax : (033) 2248-9182

Email : teraitea@gmail.com

Website : www.teraigroup.com

CORPORATE OFFICE

"Agarwala House"

Sevoke Road, 2nd Mile

Siliguri - 734001

Phone : (0353) 2543-857/8

Fax : (0353) 2542-656

Email : slg_teraitea@sancharnet.in

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Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the **40th** Annual General Meeting of the members of **"TERAI TEA COMPANY LIMITED"** will be held on Monday, the 30th September, 2013 at 10.00 A.M. at its Registered Office at 10 Government Place (East), 1st Floor, Kolkata – 700069 to transact the following business:

AS ORDINARY BUSINESS:

- 1) To consider and adopt the Audited Balance Sheet as on 31st March, 2013 and the Profit and Loss Account of the Company for the year ended on that date including notes and Reports of Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mrs. Shashikala Agarwala, who retires by rotation but being eligible offers herself for re-election.
- 3) To appoint a Director in place of Mr. Rajesh Singhania, who retires by rotation but being eligible offers himself for re-election
- 4) To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESLOVED THAT M/S. P.K.Shah & Co., Chartered Accountants, Siliguri (Registration no. 308150E) be and are hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

- 5) To consider and , if thought fit, to pass with or without modification(s) the following resolutions as a special resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time, the Company hereby approves the re-appointment of Mr. Ajit Kumar Agarwala, as the Managing Director of the Company for a period of three years with effect from 01.04.2012 to 31.03.2015 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year with liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment in such manner as may be decided by the Board of Directors / Remuneration Committee".

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

By order of the Board
For Terai Tea Company Limited

Sd/-

Roshan Dave

Company Secretary

Registered Office :

10, Government Place (East)
Kolkata – 700 069

Dated : 14th day of August, 2013

NOTES:

- 1) **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.**
- 2) The Equity Share Transfer Registers of the Company will remain closed from September 26th, 2013 to September 30th, 2013(both days inclusive) for the purpose of Annual General Meeting.

- 3) Members desirous of getting any information as regarding accounts are requested to intimate the company at least ten days before the meeting to enable the management to keep the information required readily available at the meeting.
- 4) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electric Form and the security bears Code ISIN INE 390D1011.
- 5) Members are requested to notify immediately any change of their address, if any, to the Company in



case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form.

- 6) As per provisions of the Companies Act, 1956 facility for making nominations is available for members in respect of the shares held by them. Nomination Forms can be obtained from the Company's Registrar and Transfer Agent.
- 7) Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange the particulars of the directors seeking appointment/reappointment at the meeting are annexed separately.

- 8) Members are requested to update their e-mail address to teraitea@gmail.com or mdpl@cal.vsnl.net.in to do so to support the "Green Initiative" in the Corporate Governance.

- 9) Members are requested to quote folio numbers in all their correspondences.

By order of the Board
For Terai Tea Company Limited
Sd/-

Registered Office :

10, Government Place (East)
Kolkata – 700 069

Dated, 14th day of August, 2013

Roshan Dave
Company Secretary

**DETAILS OF DIRECTORS RETIRING BY ROTATION SEEKING RE-APPOINTMENT
IN THE 40TH ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of The Director	Mrs. Shashikala Agarwala	Mr. Rajesh Singhania
Date of Birth	March 13, 1955	December 11, 1971
Expertise in specific functional areas	Tea Marketing	Financial Management & Taxation matters
Qualification	B.A.	B.Com(H), FCA, FCS, ACMA
Details of share held in the Company	18,98,800	800
Chairman/ Member of the Committees of the Board of other Companies in which she / he is a Director *	NIL	NIL
List of Companies in which outside Directorships held	Sayedabad Tea Co. Ltd. Terai Ispat & Trading Ltd. Terai Infrastructures Ltd. Terai Resorts & Country Club Pvt. Ltd. Kanchannview Resorts Pvt. Ltd. Terai Distilleries Ltd. Jaldacca Tea Plantations Pvt. Ltd. Terai Jute Pvt. Ltd. Amit Paridhan Pvt. Ltd. East Indian Produce Ltd.	Sayedabad Tea Co. Ltd. Terai Overseas Ltd. Terai Infrastructures Ltd. The Kharibari Tea Co. Ltd. Terai Ispat & Trading Ltd. Abhijit Tea Co. Pvt. Ltd. Kanchannview Resorts Pvt. Ltd. Terai Dooars Tea Co. Pvt. Ltd. Amit Ores Pvt. Ltd. Terai Resorts & Country Club Pvt. Ltd. Midnight Developer Pvt. Ltd.

* The committee include Audit Committee and the Shareholders' Investors' grievance Committee.

Explanatory Statement as required under sec- 173 of the Companies Act, 1956.

Item No. 5.

In the shareholders meeting held on 30th September 2009, the shareholders had re-appointed Mr. Ajit Kumar Agarwala as the Managing Director for a period of 5 years effective from 1st December, 2009 to 30th November, 2014. The tenure of his appointment expires on 30th November, 2014.

Keeping in view the vast experience of Mr. Ajit Kumar Agarwala, the Board in its meeting held on 2nd day of November, 2012, subject to the approval of the members of the Company in the Annual General Meeting has decided to re-appoint him as Managing Director of the Company for a further period of three years w.e.f. 01.04.2012 to 31.03.2015 on the remuneration and terms and conditions as set out herein. Accordingly this resolution is being proposed for the approval of the members.

TERMS & CONDITIONS :

- A. **Salary:** Not exceeding ₹ 200,000/- per month with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which terms shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- B. **Commission:** Not exceeding 0.50% of net profit in an accounting year as may be decided by the Board from time to time.
- C. **Allowance & Perquisites:** In addition to salary and commission, he will be entitled to allowance, perquisites, benefits, facilities and amenities (collectively "allowances and perquisites") such as furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, Gas, Electricity & Power, Water, Furnishings, Utility Allowance, Medical Reimbursement, Foreign Travel, Leave Travel Assistance / Allowances, Membership fees for clubs, Hospitalization and Accident insurance, Security at residence and any other "allowance and perquisites" as per the policy / rules of the company in force and / or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed ₹ 12 lacs per annum. "Allowances & Perquisites" to be valued as per the income Tax Rules, wherever applicable and at actual cost of the company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the company in force or as may be approved by the Board from time to time.

(i) Company maintained car(s) with drivers(s); (ii) Telephone(s) and Fax at residence; (iii) Company's contribution to Provident Fund and Super - Annuation Fund; (iv) Payment of Gratuity and other retail benefit; (v) Encashment of Leave and (vi) Long service award, (vii) Key Man Insurance Premium. The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

- D. The total remuneration including allowances and perquisites shall not exceed the limits specified in Schedule XIII to the companies Act, 1956.
- E. **Minimum Remuneration :** Notwithstanding anything to the contrary herein where in any financial year, during the currency of the tenure of the appointees, the company has no profits or its profits are inadequate, the company will pay remuneration to the appointees by way of salary, perquisites, allowances and incentives remuneration as specified above.

OTHER TERMS :

- i) The Managing Director shall not so long as he functions as such, becomes interested or otherwise concerned, directly or through his wife and / or minor children, in any selling agency of the company in future without any prior approval of the Central Government.
- ii) The Managing Director may be terminated by the Company or by the Managing Director, by giving not less than three months prior notice in writing.
- iii) The Managing Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling, incurred in the course of the Company's business.
- iv) The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion, deemed fit, so as not to exceed the limit specified in schedule XIII of the Companies Act, 1956. (including any statutory modification or re-enactment thereof, for the time being in force), or any amendment made thereto from time to time.

The overall remuneration of the Director including perquisites are well within the overall limit specified under section 198, 269, 309, 310, 311 including schedule XIII of the Companies Act, 1956.

None of the Directors except Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala, wife of Mr. Ajit Kumar Agarwala are concerned or interested in the said resolution.



Information in terms of Schedule XIII of the Companies Act, 1956 for seeking approval of the shareholders as given here below :

(I) General Information :

1. Nature of Industry : Cultivation of Tea and Manufacturing of Tea.
2. Date of Commencement of Commercial production : The Company is in manufacturing operations since the year 1973
3. In case of new companies, expected Date of commencement of activities : Not Applicable
As per project approval by financial Institutions appearing in prospectus
4. Financial Performance based on : As per Audited Financial Results for the year ended

(₹ In Lacs)

Given indicators	31.03.2013	31.03.2012	31.03.2011
Revenue from operations (Net)	8,310.62	6,705.48	4,030.82
Profit before Interest, Deprecation & Tax	578.19	675.72	530.25
Interest (Net)	302.57	423.64	297.28
Profit before Depreciation & Tax (PBDT)	275.62	252.08	232.98
Profit before Tax	75.85	60.62	30.79
Profit after Tax (PAT)	43.32	40.48	15.39

5. Export performance and net foreign exchange earning : Not Applicable
6. Foreign Investments or collaborators if any : Not Applicable

(II) Information about the Appointee :

(a) Mr. Ajit Kumar Agarwala:

1. Background details:

Mr. Ajit Kumar Agarwala is an Arts Graduate and has been honoured with a honorary degree of Doctor of Philosophy in business management by the Burkes University, U.K.. He is with the company since 1987. He looks after the overall management of the Company and is the Managing Director. He is Managing Trustee of Amit Agarwala Foundation, a Public Charitable Trust having multifarious charitable activities. Mr. Agarwala is Treasurer of "West Bengal Pradesh Congress Committee". He is an executive member of All India Marwari Federation and Executive Committee member of CII, North Bengal Chapter. He is also a Board member of Tea Board of India.

2. Past remuneration:

(₹ In Lacs)

	31.03.2013	31.03.2012	31.03.2011
Salary (Including Perquisites)	24.00	14.00	6.00
Total	24.00	14.00	6.00

3. Recognition or Awards:

Mr. Ajit Kumar Agarwala has been granted "International Business Excellence" Award by International Business Council. "National Trade Excellence Award" was given to him for outstanding service, achievements and contribution. He has also been conferred with given "Rajiv Gandhi Sadbhavana" Award.

4. Job Profile and suitability:

Mr. Ajit Kumar Agarwala, the Managing Director is entrusted with the power and authority to manage the day to day affairs of the company on a day to day basis subject to superintendence, direction and control of the Board of Directors. He is an experienced planter and has extensive knowledge of tea industry. His experience at various levels has helped him to successfully manage the affairs of the Company for last several years.

5. Remuneration Proposed:

The proposed remuneration is within the limit set out in schedule XIII of the Companies Act, 1956.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration to Mr. Ajit Kumar Agarwala is purely based on merit and experience.

7. Pecuniary relationship directly or indirectly with the company relationship with the managerial personnel:

Mr. Ajit Kumar Agarwala has no pecuniary relationship with the company other than his remuneration as a Managing Director. He is related to Mrs. Shashikala Agarwala within the meaning of section 6 of Companies Act, 1956.

(III) Other Information :

1. Reason of Loss or Inadequate Profits:

Tea Industry is a seasonal industry and it is totally dependent on the weather for crop, and auction for prices. There has been substantial increase in labour wages; garden operating expenses, statutory liabilities, and general inflation have considerably eroded profit margins. However, maintaining adequate and steady profitability on a regular basis may take time.

The profitability over the last 5 years is given below:

<u>Year</u>	<u>Profit after Tax (₹ in Lacs)</u>
2008-09	40.65
2009-10	52.90
2010-11	15.39
2011-12	40.48
2012-13	43.32

2. Steps taken or proposed to be taken for Improvement :

The Company is focusing on quality and this has attracted premium in the market. Effort are made to cut down cost and increase yield at the gardens. There has been substantial capital expenditure in the land and factories to increase the efficiency, reduction in cost, rationalization of labour force etc. The Company has also started trading in agricultural goods and has achieved a substantial chunk of business during the year under review. The Company is hopeful to achieve very good business in the forthcoming year.

3. Expected increase in productivity and profits in measurable terms:

The Company expects to obtain good per hectre yield in its Tea Estate and also better realisation of the tea prices due to emphasis on the quality of tea to be manufactured.

(IV) Disclosures :

1. Information to shareholders on the remuneration package of managerial personnel:

The Notice of the Annual General Meeting contains details of the Remuneration Package / Revision in the Explanatory statement.

2. Disclosure under Corporate Governance in the Board of Director's Report:

The remuneration package payable to Mr. Ajit Kumar Agarwala, alongwth the relevant details has been mentioned in the reports of the Corporate Gevernance attached to the Director's Report. There is no sitting fees, stock option etc. The period of appointment and remuneration as per approval of Annual General Meeting resolution. The appointment may be terminated by giving a three months notice. Mr. Ajit Kumar Agarwala is holding 25,76,800 shares of the Company.

Registered Office :

10, Government Place (East)
Kolkata – 700 069
Dated : 14th day of August, 2013

By order of the Board
For Terai Tea Company Limited
Sd/-

Roshan Dave
Company Secretary



Director's Report

Dear Shareholders,

The Board of Directors of your Company pleasure in presenting their **40th** Annual Report together with Audited Balance Sheet and statement of Profit & loss for the year ended 31st March, 2013.

(₹ In lacs)

Particulars	2012-13	2011-12
Total Revenue	8,372.25	6,755.85
Profit / (Loss) Before Depreciation, Financial Cost and Tax	591.54	686.77
Less : Financial Cost	315.92	434.69
Profit / (Loss) Before Depreciation	275.62	252.08
Less : Depreciation	199.77	191.46
Profit / (Loss) Before Taxation	75.85	60.62
Less : Taxation	32.53	20.14
Profit After Taxation	43.32	40.48
Add : / Less : Balance Brought Forward	1,126.46	1,085.98
Surplus/ (Deficit) Carried to Balance Sheet	1,169.78	1,126.46
Basic and Diluted Earning Per Share	0.63	0.59

OPERATIONS :

During the financial year, the company produced 51.78 lacs kgs. Of tea as compared to 52.01 lacs kgs. of tea in the previous year. The decline in production can mainly be attributed to inconsistent supply of green leaves from the small growers. The unfavourable weather condition has also adversely affected the yield of the tea estate. The initial dry spell has impacted the productivity of the tea belt of the region to a great extent. Despite the slowdown in production, your Company's turnover has grown to ₹ 8372.25 lacs as against ₹ 6755.85 lacs in the previous year. The Company has achieved better profit before tax to the tune of ₹ 75.85 lacs as against ₹ 60.62 lacs in the current year. The improvement in bottom line is mainly due to Company's emphasis to produce quality tea which has yielded better price realization. The Company's profit would have been much higher but with the steep rise in the prices of Green leaves and other inputs viz. Fertiliser and Pesticide, Oil & Fuel, the profit margin remained compressed.

The new plantation work in app. 125 acres undertaken two years back in Bagdogra Tea Estate has begun to

yield fruitful results and your tea estate is all set to reap the benefit of new plantation in the current financial year.

During the year Company has witnessed about 38% increase in turnover from trading business as its continuous endeavor in this line has established strong footage in the commodity market mainly of agricultural produce viz. Jute, pulses etc.

Company's Bought leaf unit namely 'Tea Factory Unit' has been successfully shifted to Kharibari tea belt in the previous year. The unit has started functioning in the month of November'12 and is running in full swing in the Current financial year.

Your Company is glad to inform you that in the matter against acquisition of land by Defence Department in the year 1962, Sole Arbitrator has already been appointed by the Central Government and the Arbitration proceedings are already in progress. Your Company is expecting an award in the current financial year itself.

As regards to other litigations for compensation against Indian Air Force and Airport Authority of India, all efforts are being made to expedite the proceedings in the respective Courts of Law and your directors are hopeful of positive outcome in the Current financial year.

TEA MARKET SCENARIO

India is the largest black tea producer in the world, total tea production in 2012 was reduced to at 1112 (revised) million k.g. compared to 1116 (revised) million k.g in 2011. This represents around 40% of the total global tea production.

The tea market which has witnessed buoyancy for the past two years is looking depressed in the current year. The output in the current year is on the higher side and with the stagnant domestic demand and decline in export, the prices of tea remains subdued and the increase in tea production from Kenya and Sri Lanka has further added to the woes on the price front.

FUTURE OPERATION

The Company has made adequate arrangements with small growers by making sufficient advances for committed and consistent supply of green leaves in all the units of the Company during the Current Financial year. This will help the company to achieve the optimum output from all the units.

The Company has witnessed increased supply of green leaves in its recently shifted 'Terai Tea Factory' unit and being encouraged with this, the installed capacity of the unit from 8 lacs kgs. of tea p.a. is likely to be doubled to 16 lacs kgs p.a. in the current year itself by adding adequate plant and machineries. This will help the unit to optimise its Fixed overheads costs.

The Real Estate Sector has still not shown any bullishness and is having a negative bias. Your Company is still in the process of making the survey and studying the viability for developing its prime land located in the heart of the city of Siliguri. The Company shall venture into the Real Estate development once the Sector starts showing some stability and buoyancy.

DIRECTORS

Pursuant to section 256 of the Companies Act, 1956, Mrs. Shashikala Agarwala, and Shri Rajesh Singhania Directors of your company are liable to retire by rotation and being eligible, offers themselves for re-appointment. Brief particulars and expertise of these Directors and their directorships and committee membership have been given in the annexure to the notice of Annual General Meeting in accordance with the requirement of Listing Agreement with Stock Exchange.

Subject to the approval of the shareholders in the ensuing Annual General Meeting. The term of appointment of Shri Ajit Kumar Agarwala, as the Managing Director's is expiring on 30th November, 2014. Considering his satisfactory performance, the Board of Director in their

meeting held on 2nd day, of November, 2012, reappointed him as the Managing Director for a further term of 3 year w.e.f 1st day of April, 2012. Approval of the members to the said reappointment as also to the remuneration payable to the Managing Director will be sought at the ensuing Annual General Meeting.

All the Directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors u/s 274(1)(g) of the Companies Act, 1956) Rules 2003.

AUDITORS

Messrs P.K.Shah & Co., Chartered Accountants, Siliguri, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letters from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1)(b) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act

AUDITORS' OBSERVATIONS

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

COST AUDIT

The Ministry of Corporate Affairs, Government of India by an order directed audit of Cost Accounts maintained by the company under section 209(1)(d) of the Companies Act, 1956 in respect of Plantations Product on a yearly basis. In term of said order Cost Audit conducted by the reputed firm of Cost Accountant appointed with the approval of the Ministry of Corporate Affairs.

FINANCE

The present bankers of the Company are Central Bank of India, Bank of India and Yes Bank providing credit facilities to the company. The Directors express their appreciation for the assistance and co-operation provided by them.

PUBLIC DEPOSITS

During the year under review, your company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIVIDEND

Considering the financial requirements towards the funding of the ongoing expansion plan, which we believe will enhance the shareholder's value in the long term, no dividend is recommended by the Directors of your company for the year ended 31st March, 2013.

CREDIT RATING

The Company enjoys external Long Term credit rating of BBB -/stable from CRISIL which means sufficient safety with regard to timely payment of financial obligations.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2012-13 are in conformity with the requirements of the Companies Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, P.K.Shah & Co., Chartered Accountants, Siliguri (Registration no. 308150E) have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

- i. in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- ii. The accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company;
- iii. proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company ;
- iv. The annual accounts have been prepared on a going concern basis.

The Company's Internal Auditors have conducted periodical audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

The Audit Committee constituted by the Board meets at regular intervals to review internal control and financial reporting system.

INSURANCE

Adequate insurance cover has been taken for properties of the company including Buildings, Plant and Machineries

and Stocks against fire, earthquake and other risks as considered necessary

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are provided in Annexure-A to this Report.

PARTICULARS OF EMPLOYEES

The company had no employee during the financial year ended 31st March, 2013 who was in receipt of remuneration in excess of the limit specified under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

STATUTORY DISCLOSURE

None of the Directors of the Company are disqualified as per the provision of section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required by the various provisions of the Act and Clause 49 of the Listing Agreement.

MANAGEMENT DISCUSSION & ANALYSIS REPORT & REPORT ON CORPORATE GOVERNANCE

As required in terms of the Listing Agreement with the stock exchange, a Management Discussion and Analysis Report and a Report of Corporate Governance are annexed forming part of this report

CODE OF CONDUCT

Your Directors are pleased to report that your Company has adopted and complied with the Terai Tea Company Ltd. "Code of Conduct of Business Principles and Ethics for the Directors and Senior Executives of the Company." The code has been duly affirmed by them.

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to support the "Amit Agarwala Foundation", a Public Charitable Trust which has constructed first school for blind in north Kolkata, i.e "Amit Agarwala School for Blind" to provide the sphere of education to blind boys and girl, and art, activities for free of cost to blind boys and girls. This was inaugurated by

the Hon'ble Governor of W.B. Shri M. K. Narayanan on 27th day of January, 2013.

The other Charitable units namely "**Amit Agarwala Smrity Bhawan**" and "**Amit Agarwala Banga Bhawan**" of the trust are also engaged in providing social services in different sphere to the under privilege section of the society.

APPRECIATION

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination received from Banks, Financial Institutions and Tea Board authorities for continued enthusiasm, total

commitment, dedication and efforts of the executives and employees of the Company at all levels, who contributed to the efficient operation and management of the Company. We are also deeply grateful for the continued confidence and faith reposed on us by the shareholders

For or on behalf of the Board of
Terai Tea Company Limited
Sd/-

Ajit Kumar Agarwala
Chairman & Managing Director

Registered Office :

10, Government Place (East)
Kolkata – 700 069

Dated : 14th day of August, 2013

Annexure to the Director's Report

ANNEXURE 'A'

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken :

- (i) Stove Tubes of the Coal Fired Heaters are cleaned on regular basis.
- (ii) Nozzles and Fuel Injectors are cleaned regularly.
- (iii) Bearings of the Machines are checked and greased regularly.
- (iv) Fuel Filters and Mobil Filters are replaced regularly.

B. TECHNOLOGY ABSORPTION

Trials were carried out on pruning cycles, growth regulators, optimal fertilizer use etc. The Company is adopting the general expert advices published by TRA.

C. FOREIGN EXCHANGES EARNINGS AND OUTGO

- a) Sales (FOB Value) : ₹ Nil (₹ Nil)
- b) Expenditure (Others) : ₹ 15.47 Lacs (₹ 6.43 Lacs)

With respect to Conservation of Energy are given in Form – A as attached.

Form-A

Form for Disclosure of Particulars with respect to conservation of energy:

(I) POWER & FUEL CONSUMPTION

		CURRENT YEAR 31st March, 2013	PREVIOUS YEAR 31st March, 2012
1.	ELECTRICITY		
	(a) Purchased (units KWH)	46,81,635	46,77,291
	Total Amount (₹)	4,06,08,348	3,30,77,770
	Rates/unit (₹ / KWH)	8.67	7.07
	(b) Own Generation (Unit KWH)	11,585.6	22,388
2.	COAL		
	Quantity (Tons)	4,515.162	4,380.86
	Total Amount (₹)	3,81,85,021	2,84,36,739
	Average rate (₹ / Tons)	8,457.07	6,491.13
3.	FURNACE OIL/H.S.D.		
	Quantity (Ltrs)	1,29,853	1,43,907
	Total Amount (₹)	59,26,548	61,59,132
	Average rate (₹ / Ltr.)	45.64	42.80

(II) CONSUMPTION PER UNIT OF PRODUCTION PRODUCT – TEA (Per Quintal)

Electricity (KWH / Qtls.)	90.42	89.92
Coal (Qtls. / Qtls.)	0.87	0.84
Furnace Oil / H.S.D. (Ltr. / Qtls.)	2.51	2.77

Registered Office :

10, Government Place (East)

Kolkata – 700 069

Dated : 14th day of August, 2013

For or on behalf of the Board of
Terai Tea Company Limited
Sd/-

Ajit Kumar Agarwala
Chairman & Managing Director

Annexure to the Director's Report

ANNEXURE 'B'

Report on Corporate Governance

The Company pursuant to clause 49 of the Listing Agreement with stock exchange furnish its report on Code of Corporate Governance.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equality in the functioning of the Company and its relationship with employee, shareholders, creditors, consumers, dealers, lender and ensuring high degree of regulatory compliance

The Company is committed to follow the best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices. The Board understands and respects its fiduciary role and responsibility to its shareholders and strives hard to meet their expectations. The Board also believes that best board practices, transparent disclosures and shareholder empowerment are necessary for

creating shareholder value. Thus at Terai tea Company Limited, we always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value creation and enhancement, while, at the same time, respecting the rights of all stakeholders of the Company and the society at large.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming the most admired and trusted global Tea producer, while upholding the core values of entrepreneurship, disclosure and transparency, equity, responsibility, sustainability and ethical behaviour which are fundamental to the Terai family.

II. BOARD OF DIRECTORS

a) Composition of category of Directors

The present Board of Directors includes a Executive Director designated as a Managing Director and 5 Non-Executive Directors out of which four are Independent Directors.

a) The name and category of each is given below :

NAME OF THE DIRECTORS	CATEGORY
Mr. Ajit Kumar Agarwala	Executive Director and Promoter
Mrs. Shashikala Agarwala	Non-Executive, Non-Independent Director and Promoter
Mr. Sitaram Sharma	Non-Executive and Independent Director
Mr. Rajendra Kanodia	Non-Executive and Independent Director
Mr. Kamal Kishore Bihani	Non-Executive and Independent Director
Mr. Rajesh Singhania	Non-Executive and Independent Director

b) Attendance of each Director at the Board Meeting and the last Annual General Meetings (AGM)

NAME OF THE DIRECTORS	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE OF LAST AGM
Mr. Ajit Kumar Agarwala	15	13	Not Present
Mrs. Shashikala Agarwala	15	12	Not Present
Mr. Sitaram Sharma	15	13	Present
Mr. Rajendra Kanodia	15	15	Present
Mr. Kamal Kishore Bihani	15	15	Present
Mr. Rajesh Singhania	15	15	Present

- c) During the year under review, 15 (Fifteen) Board Meetings were held. The maximum time-gap between any two meetings did not exceed four months. The dates on which meetings were held are given below:

April 18, 2012	June 13, 2012	August 18, 2012	November 14, 2012	February 13, 2013
May 30, 2012	July 6, 2012	August 27, 2012	December 3, 2012	March 11, 2013
June 9, 2012	August 14, 2012	November 2, 2012	January 3, 2013	March 30, 2013

- d) Number of other Directorship and Chairmanship/Membership of Committee of each Director in other Companies:

NAME OF THE DIRECTORS	NO. OF DIRECTORSHIPS IN OTHER COMPANIES (EXCLUDING PRIVATE/ FOREIGN COMPANIES)	NO. OF CHAIRMANSHIP/ MEMBERSHIP IN OTHER BOARD COMMITTEES*
Mr. Ajit Kumar Agarwala	7	NIL
Mrs. Shashikala Agarwala	5	NIL
Mr. Rajendra Kanodia	7	1
Mr. Sitaram Sharma	6	1
Mr. Kamal Kishore Bihani	2	1
Mr. Rajesh Singhania	5	1

* Committee considered are Audit Committee, Investors' Grievance Committee and Remuneration Committee.

- e) **Code of Conduct :** The Company's Code of Conduct is applicable to all Directors and Senior Management of the Company. All the Board members and senior management of the Company as on March 31, 2013 have affirmed their compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director (CEO) is annexed as a part of this report.

III. AUDIT COMMITTEE :

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Company has an Audit Committee in accordance with Clause 49 of the Listing Agreement with Stock Exchange read with Section 292A of the Companies Act, 1956. It comprises of three Non-Executives, Independent Directors, all of whom are financially literate and they have accounting or related financial management expertise. Shri Kamal Kishore Bihani is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The terms of reference / responsibilities of the Audit committee are as under:

- a) The accounting and financial reporting process of the Company, including the integrity of the audited financial statements and other financial

information provided by the Company to its stockholders, the public any Stock Exchange and others.

- b) The Company's compliance with legal and regulatory requirements
c) The Company's independent auditors' qualification and independence.
d) The audit of the company's financial statements and the performance of the Company's internal audit function and its independent auditors.

POWERS OF AUDIT COMMITTEE :

- a) To investigate any activity within its terms of reference.
b) To seek information from any employee.
c) To obtain outside legal or other professional advice.
d) To secure attendance of outsiders with relevant expertise if it considers necessary.

ROLE OF AUDIT COMMITTEE :

Reviewing Company's financial reporting process and the disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.

- 1) Recommending the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and fixation of audit fees.
2) Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies act, 1956.
- b) Changes, if any, in accounting policies and practices and the reasons for the change.
- c) Major accounting entries involving estimates based on exercise of judgement by management.
- d) Significant adjustments made in the financial statements arising out of audit finding.
- e) Compliance with Listing and other Legal requirements related to financial statements.
- f) Disclosure of any related party transactions.
- g) Qualifications in draft Audit Report.
- 3) Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval
- 4) To discuss with Internal Auditors any significant findings and follow up thereon.
- 5) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems including the reporting structure coverage and frequency of internal audit.
- 6) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors if any.
- 7) Carrying out any other function as set out in the terms of reference of the Audit Committee.

During the year 4(four) meetings of the Audit Committee were held on 30th May, 2012, 14th August, 2012, 14th November, 2012 and 13th February, 2013

The Composition of the Audit Committee and attendance of members at its meeting are as follows:

NAMES OF THE DIRECTORS	POSITION HELD	CATEGORY	NO. OF MEETINGS	
			HELD	ATTENDED
Mr. K. K. Bihani	Chairman	Independent Non-Executive	4	4
Mr. R. Kanodia	Member	Independent Non-Executive	4	4
Mr. S.R.Sharma	Member	Independent Non-Executive	4	4
Mr. R. Singhania	Member	Independent Non-Executive	4	4

IV. REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises of four Non-Executive Directors, and Company Secretary acts as the Secretary of the Remuneration Committee. Terms of reference of the committee include determination of the company's

policy regarding remuneration packages, commission payable to Directors/ Executive and Managing Director of the company, thereof within the limit approved by the shareholders from time to time. The committee had met once in the year 2012-13 on 2nd day of November, 2012.

Composition and Attendance of the Director's Remuneration Committee Meeting:

NAMES OF THE DIRECTORS	POSITION HELD	CATEGORY	NO. OF MEETINGS HELD
Mr. R. Kanodia	Chairman	Independent, Non-Executive	1
Mr. K. K. Bihani	Member	Independent, Non-Executive	1
Mr. S.R.Sharma	Member	Independent, Non-Executive	1
Mr. R. Singhania	Member	Independent, Non-Executive	1

Remuneration of Director:

Managing Director and Executive Director :

Dr. Ajit Kumar Agarwala

₹ 24.00 Lacs p.a.

V. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprises of four Non-Executive Independent Directors, and Company Secretary is the Compliance officer of the Company Board, comprised three Non-Executive Directors, namely:

1. Mr. Rajesh Singhania (Chairman)
2. Mr. Kamal Kishore Bihani
3. Mr. Sitaram Sharma
4. Mr. Rajendra Kanodia

Meetings and Attendance during the year:

During the financial year two meetings of the Shareholders' / Investors' Grievance Committee (SIGC) were held on 30th day of May, 2012 and 13th day of February, 2013 for the year ended March 31st 2013 in which all the members were present.

NAMES OF THE DIRECTORS	MEETING HELD	MEETINGS ATTENDED
Mr. Rajendra Kanodia	2	2
Mr. Rajesh Singhania	2	2
Mr. Kamal Kishore Bihani	2	2
Mr. Sitaram Sharma	2	2

Compliance Officer:

Mr. Roshan Dave the Company Secretary, is also the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

Investors' Grievance Redressal:

The Company attends the Complaints/Grievances received from the Investors/Stock Exchange/SEBI (if any) and reviews the same with the Registrar and Transfer Agents M/s Maheshwari Datamatics Pvt.Ltd. on periodical basis. All the Complaints/Grievances were resolved by STA immediately to the satisfaction of investors during the year under review. There were no outstanding complaints / queries as on March 31st, 2013.

VI. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed to expedite the process of Share Transfer and to

approve applications regarding transfer/ transmission of shares according to law. The Board has delegated the powers of share transfer to a committee comprising of Chairman cum Managing director and a Director. The Share Transfer Committee attends to the share transfer formalities at least once in the fortnight. All the valid share transfer applications received during the year under review have been acted upon and there were no share transfers pending as on March 31st, 2013.

VII. GENERAL BODY MEETINGS

i) Annual General Meeting :

Annual General Meeting of the Company during the preceding 3 years were held at the registered office of the company at 10, Government Place (East) Kolkata-700069.

Date and time of Annual General Meetings held during the preceding 3 years are as follows :

LOCATION	DATE	TIME
10, Government Place (East) , Kolkata – 700 069	September 29, 2012	11.00 A.M
10, Government Place (East) , Kolkata – 700 069	September 30, 2011	10:30 A.M
10, Government Place (East) , Kolkata – 700 069	August 28, 2010	10:30 A.M

ii) Special Resolution passed in the last three AGM:

- a) In the AGM on 29th Sep. 2012: No Special Resolution was transacted.
- b) In the AGM on 30th Sep. 2011: No Special Resolution was transacted.
- c) In the AGM on 28th Aug. 2010: No Special Resolution was transacted.
- iii) All the resolution set out in the respective notices were passed by the shareholders.
- iv) No Resolution was put through postal ballot during the year 2012-13.

VIII. OTHER DISCLOSURES:

- a) None of the transactions with any of the related parties were in conflict with the interests of the Company at large. The particulars of transactions between the Company and its related parties as per Accounting Standard (AS-18) are disclosed in Notes of Accounts (Note No.38 (ii) to accounts in the Annual Report.
- b) The Company has duly complied with the requirements of the regulatory authorities on Capital Market. No penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- c) The Secretarial Audit under regulation 55A of the SEBI (Depositories & Participants) Regulation, 1996 and Share Transfer Audit under Clause 47 of the Listing Agreement are carried out by a qualified Practicing Company Secretary. The audited and certified reports are submitted to the Stock Exchanges on quarterly and bi-annually basis.
- d) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- e) A Management Discussion and Analysis Report, given in a separate section forms part of this Annual Report and is attached herewith.
- f) There was no pecuniary relationship or transactions between the Company and Non-Executive Directors.
- g) The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- h) The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to Non-Mandatory requirements; the Company has set up a remuneration committee.
- i) The Company does not have a Whistle Blower Policy at present.
- j) The Company does not have any subsidiary.
- k) Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

IX. MEANS OF COMMUNICATION:

Half-yearly / Quarterly report normally published in Newspapers.	No, as the results of the Company are of published in Newspapers.
Any website, where displayed	Yes, at www.teraigroup.com
Whether, it also displays official news releases	No
The presentations made to institutional investors or the analysts	No
Newspapers in which results are normally published in	"The Echo of India" in English and "Arthik Lipi in Bengali.
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes

X. GENERAL SHAREHOLDER INFORMATION:**a) Annual General Meeting**

Date	September 30, 2013
Time	10.00 A.M
Venue	10, Government Place (East), 1st Floor, Kolkata-69

b) Financial Calendar (Tentative and subject to change)

Particulars	Date of Board meeting for approval
Annual Accounts for 2012-13	4th week of May, 2013
Financial Results for First Quarter	2nd week of August, 2013
Financial Results for Second Quarter	2nd week of November, 2013
Financial Results for Third Quarter	2nd week of February, 2014
Financial Result for the year ended	Last Week of May, 2014

c) **Book Closure**

Books shall remain closed from September 26th, 2013 to September 30th 2013 (both days inclusive)

d) **Listing in Stock Exchange**

i) The shares of the company are listed as per detailed below:

The Stock Exchange	Stock Code
Bombay Stock Exchange Limited Phiroza Jeejeebhoy Tower, 25th Floor, Dalal Street, Mumbai-400001	530533
Calcutta Stock Exchange Association Limited 7, Lyons Range Kolkata-700001	30105
Ahemdabad Stock Exchange Limited Kamdheni Complex, Ahmedabad-380015	60857
Jaipur Stock Exchange Limited Indra Place, J.L.N. Marg, Jaipur-302017	596
ISIN Number for NSDL/CDSL	INE 390D1011

The Company has paid Annual Listing fees to Bombay Stock Exchange for the year 2013-14.

ii) **Depositories :**

National Securities Depository Ltd.	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai-400001
Central Depository (India) Ltd.	Phiroza Jeejeebhoy Tower, 28th Floor, Dalal Street, Mumbai-400001

(e) **Demat ISIN Numbers :**

NSDL	ISIN INE 390D1011
CDSL	ISIN INE 390D1011

(f) **Registrar and Share Transfer Agents**

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Surendra Mohan Ghosh Sarani,
Kolkata – 700 001
Tele : (033) 2243-5029/5809
Fax : (033) 2248-4787
Email : mdpl@cal.vsnl.net.in

- g) **Share Transfer System** The request for the transfer of shares held in physical mode should be lodged with the Company's Registrar Share Transfer Agents, Maheshwari Datamatics Pvt. Ltd. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division and consolidation to a Share Transfer Committee in order to expedite transfer, transmission, etc in the physical form. The Committee meets once in every fortnight for approving share transfer and for other related activities. Share transfers are registered and returned in normal course within an average period of 15 days, if the transfer documents are found technically in order and complete in all respects.

h) **Market Price Data**

High/low (based on the closing prices) during each month in the financial year 2012-13 on the Bombay Stock Exchange

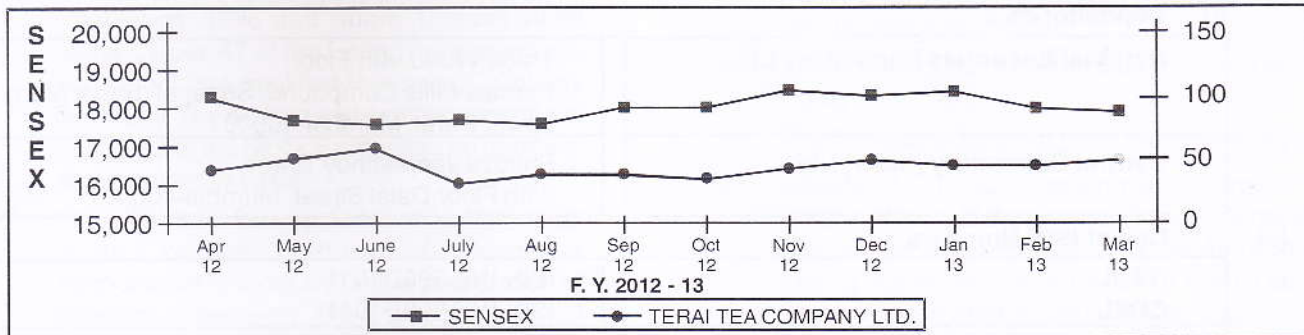
Month	BSE SENSEX	BSE		
	CLOSE	High Price	Low Price	Close Price
April, 2012	17318.15	46.50	41.45	45.70
May, 2012	16218.53	56.00	44.50	53.50
June, 2012	17429.98	59.60	47.95	57.95
July, 2012	17236.18	59.90	33.75	36.30
August, 2012	17429.56	44.20	33.05	38.80
September, 2012	18762.74	40.70	32.35	39.30
October, 2012	18505.38	47.00	34.40	34.40

Month	BSE SENSEX CLOSE	BSE		
		High Price	Low Price	Close Price
November, 2012	19339.90	55.70	34.45	48.90
December, 2012	19426.71	55.50	44.20	49.70
January, 2013	19894.98	55.70	44.45	46.90
February, 2013	18861.54	47.65	38.25	47.00
March, 2013	18835.77	52.95	45.75	50.95

High & Low Market Price:

Particulars	Terai Tea Co. Ltd. V/S BSE Sensex	
	Terai Tea Co. Ltd. Share Price	BSE Sensex
On 1st April, 2012	45.60	17478.15
On 31st March, 2013	50.95	18835.77

i) Performance of the Company in comparison to Sensex



j) Distribution of Shareholding As On 31st March, 2013

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1271	92.37	1,40,263	2.04
501-1000	52	3.78	43,019	0.63
1001-2000	27	1.96	38,991	0.57
2001-3000	6	0.44	14,987	0.22
3001-4000	2	0.15	6,420	0.09
4001-5000	3	0.22	13,603	0.20
5001-10000	3	0.22	17,281	0.25
10001 and above	12	0.88	66,04,736	96.01
Total	1376	100	68,79,300	100

k) Shareholding Pattern as on 31st March, 2013

Name of the Shareholders	No. of Shares Held	% Holding
Promoter & Promoter Group	51,03,100	74.18
Non-Promoters Holding :-		
– Financials Institutions	NIL	NIL
– Bodies Corporate	14,94,686	21.73
– NRI/Foreign Company	NIL	NIL
– Clearing Member	1	NIL
– Indian Public	2,81,513	4.09
Total	68,79,300	100

l) Dematerialization of Shares and Liquidity as on 31st March, 2013

Particulars of Shares	Equity Shares of ₹ 10 Each	
	Number	% of Total
Dematerialized Form		
a) NSDL	64,93,144	94.39
b) CDSL	2,15,194	3.13
Sub Total	67,08,338	97.52
Physical Form	1,70,962	2.48
Total	68,79,300	100.00

m) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

No GDRs / ADRs / Warrants or Convertible Instruments are issued during the year.

n) Details of public funding obtained in last three years:

No capital has been raised by way of public funding in past three years

o) Plant Locations :

Bagdogra Tea Estate	P.O. Bagdogra, Dist. Darjeeling, West Bengal
Terai Tea Factory unit	P.O. Kharibari, Dist. Darjeeling, West Bengal
Karjeepara Tea Factory	P.O. Das Darga, Dist-Jalpaiguri, West Bengal
Adhikari Tea Factory	P.O. Adhikari, Dist. Darjeeling, West Bengal
Sevoke Tea Factory	P.O Chandani Danga, Dist-Uttar Dinajpur, West Bengal

p) Address for correspondence:

Any assistance regarding share transfer and transmission, change of address, non- receipt of share certificates/ duplicate share certificate, demat and other matters such as for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Investors / Shareholder Grievance Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

1. The Company's Registered Office:

TERAI TEA COMPANY LIMITED

10, Government Place(East), 1st Floor,
Kolkata- 700 069.

Tele : (033) 4021-4412(34 Lines),

Fax : (033) 2248-9182

Email : teraitea@gmail.com,

Website: www.teragroup.com

2. Registrar and Share Transfer Agent:

MAHESHWARI DATAMATICS PVT. LTD.

6, Mangoe Lane, 2nd Floor,
Surendra Mohan Ghosh Sarani,
Kolkata – 700 001

Tele : (033) 2243-5809; 2243-5029

Fax : (033) 2248-4787

Email : mdpl@cal.vsnl.net.in

Place : Kolkata

Dated : 14th day of August, 2013

For and on behalf of the Board of
Terai Tea Company Ltd.

Sd/-

Ajit Kumar Agarwala
Chairman & Managing Director

Auditors' Certificate on Compliance of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

To
The Member of
Terai Tea Co. Ltd.
10, Govt. Place (East)
Kolkata-700069

We have examined the compliance of conditions of Corporate Governance by **Terai Tea Company Limited** for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month as at 31st March, 2013 against the Company as per records maintained by the Shareholders/Investor Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P.K.Shah & Co**
Chartered Accountants
Firm Registration No. 308150E

Sd/
(**P.K.Shah**)
Partner

Membership 14740

Place : Siliguri
Dated : 14th day of August, 2013

Declaration Regarding Code of Conduct:

To Whom It May Concern

The company has framed a specific Code of Conduct to be followed by the members of the Board of Directors and the Senior Management Personnel of the company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed to further strengthen corporate governance practices in the company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended on 31st March, 2013. Based on the above, it is hereby declared the code has been complied with by all.

Place : Kolkata
Dated : 14th day of August, 2013

For Terai Tea Company Ltd
Sd/
Ajit Kumar Agarwal
Chairman & Managing Director

CEO/CFO Certification to the Board

(Under Clause 49(V) of Listing Agreement)

To
The Board of Directors
Terai Tea Co. Ltd.
10, Government Place (East)
Kolkata-700069

I, Ajit Kumar Agarwala, Managing Director & C.E.O. Certify that:-

- a) We have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or have proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that -
 - There has not been any significant changes in internal control over the financial reporting during the year under review;
 - There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - There were no Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Place: Kolkata
Dated : 14th day of August, 2013

For Terai Tea Company Ltd.
Sd/-
Ajit Kumar Agarwala
Managing Director & CEO

Annexure to the Director's Report Annexure 'C'

Management Discussion and Analysis Report

Industry Structure and Development :

Indian total tea production in 2012 was reduced to 1112 (revised)* million kg compared to 1116 (revised)* million kg in 2011. i.e a decrease of 4 million kg. This represents around 40% of the total global tea production. Your Company has produced 51.78 Lacs kg. of made tea in the year 2012-13 as against 52.01 lacs kg. during previous financial year 2011-12. The decline in production is due to unfavorable weather in Terai which resulted in crop loss in that region. The average price realization was higher at ₹ 103.70 per kg, against the realization of ₹ 80.00 per kg previous year. The Company endeavours to improve the quality of made teas to improve sales realisation per kg. Apart from wages increase, the higher cost of power, fertilizers and other inputs have also affected the industry.

In India, tea is marketed through three different channels, auction, private sales and direct export. As per the Tea Board statistics, India markets approximately 50-60% of the total production through auction. In India, tea auction is done through 6 different auction centers (Kolkata, Siliguri, Guwahati, Cochin, Coonoor and Coimbatore) with Kolkata being the largest amongst the 6.

*computation of all India crop has been revised by Tea Board of India from the year 2011 based on payment of cess on made tea by manufacturers. This has resulted in the revision of last year crop from 988 million kg to 1116 million kg.

Indian Economy overview :

The Indian economy is estimated to have grown at 5% during the year under review, i.e. Financial Year 2012-13, as compared to 6.2% during the previous year. The WPI based inflation remained high during major part of the year. The inflation did ease sharply in the last quarter to end the year at 5.96%, but it was mainly due to high base effect. RBI have started easing its monetary policy during the year and also reduced key policy rates – viz. the Cash Reserve Ratio and the Repo & Reverse Repo rates to improve liquidity and interest rates scenario in the economy. Increase in the government borrowings, Current account deficit and Fiscal deficit were highlights of the economy during the year.

"Growth in the Agricultural and Allied activities declined to 1.8 % in 2012-13 vs. 3.6% recorded in 2011-12 largely on account of a deficient south-west monsoon".

Segment Analysis and Review :

The Company is engaged in the manufacturing of tea, and trading of jute.

Risks & Concerns :

Tea Industry is an agricultural industry and its performance is dependent on vagaries of nature. The industry is highly labour intensive and is subject to stringent of labour laws. Comparatively high labour cost, high infrastructure cost, and increasing energy and other input cost remain major problem of tea industry. Shortage of labour during the peak seasons is also causes for concern.

Opportunities and Threats :

Your Company continues to produce well made quality teas consistently. Indian tea exports were susceptible to the financial meltdown and to that extent a slowdown was inevitable. Other threats are weather related which are not in control of the Industry. Nonetheless the adverse effect of draughts, floods and hails can be minimized through good and careful agricultural practices. India and global tea production is likely to remain stagnant to very insignificant growth in next few year due to negligible addition of land under tea cultivation by organized sector. Demand however, is expected to increases by 3 to 5% per Annum thereby creating further shortages and lower inventory levels. Indian exports fell by 13 million kg in 2012 due to the struggling global economic scenario, continued high price and recent decline in coffee prices. Depreciating currency in India during 2012 had a positive impact, however any reversal of the trend may impact export realisation.

Outlook :

Normal weather condition across all black tea producing countries as compared to dry weather last year has improved production during the first quarter of calendar year 2013. Tea production in these countries is estimated to be higher by 45 million kgs upto march. Production in India during the calendar year 2013 is expected to recover to 2011 level, with the increase in consumption every year and the demand outstripping supply, the outlook of tea industry is robust and positive.

Financial Review & Analysis :

The Company's financial position is strong enough which has helped Company to pass through in turbulent times.

The development work in garden is always given top priority for improvement in quality as well as quantity. The surplus fund of the Company is deployed in such a way that reasonable returns are derived.

Internal Control System and their Adequacy :

The company has established suitable internal control system and has laid down policies, guidelines and procedures which form part of its internal control system. The company's internal control systems are periodically tested and supplemented by an extensive programme of internal audit by independent firms of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Reports of the internal auditor are reviewed by senior management and also placed before the audit committee which provides reasonable assurance with regard to safeguarding the Company's assets, operational efficiency and ensuring compliances with legal and regulatory framework.

Material Development In Human Resources And Industrial Relations :

Tea Industry is highly labour intensive and human resources oriented. Human resources are valuable assets

of your Company and attention is continuously paid to their development and well being. Industrial relations at all the Estates factories remain satisfactory. In spite of having an employee strength of almost 3000. Employee-Management relations remained cordial throughout the year. Continuing education and training of employees at all levels of the Company, particularly at its plantations, contribute to development of human resource. Various welfare measures continue to be carried out, particularly at the Company's Tea Estates. During the year under review, Welfare Week Programmes have been carried out at the Estate of your Company.

Cautionary Statement :

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external factors beyond the control of the company. Further tea industry depends upon the vagaries of nature and any adverse weather situation can reverse the whole situation.

Registered Office :

10, Government Place (East)

Kolkata-700069

Dated : 14th day of August, 2013

For and on behalf of the Board of
Terai Tea Company Ltd.

Sd/-

Ajit Kumar Agarwala
Chairman & Managing Director

Financial Highlights : Balance Sheet

(For the last five years)

Amount in ₹

	2012-13	2011-12	2010-11	2009-10	2008-09
A. Assets Owned by the Company					
1. Fixed Assets :					
Gross Block (Incl. Capital Work in Progress)	64,66,48,346	61,43,56,971	55,28,02,549	49,72,20,219	47,57,62,771
Less : Accumulated Depreciation	30,72,91,127	28,68,59,171	26,72,95,458	24,66,28,555	22,69,83,342
Net Block (A)	33,93,57,219	32,74,97,800	28,55,07,091	25,05,91,664	24,87,79,429
2. Investments (at cost)					
a. Long Term Trade (Unquoted) Equity Shares	4,71,15,593	4,72,40,593	4,60,40,593	4,72,40,593	4,72,40,593
b. In Subsidiary Co. (Unquoted)	—	—	—	—	—
c. Short Term Non-trade (Quoted)	12,33,211	12,33,211	32,17,184	39,576	39,576
d. Others (Unquoted)	3,69,85,437	3,50,40,497	3,50,40,497	2,75,72,500	2,75,72,500
e. Short Term (Quoted) Equity Shares	3,26,43,064	3,33,61,083	—	—	—
Total (B)	11,79,77,305	11,68,75,384	8,42,98,274	7,48,52,669	7,48,52,669
3. Current Assets Loans & Advances (C)	35,05,93,151	43,63,22,934	40,16,70,400	42,35,12,082	36,16,79,632
4. Miscellaneous Expenditure (to the extent not written off)	—	—	9,39,470	9,39,470	9,39,470
Total Assets (A+B+C)	80,79,27,675	88,06,96,118	77,24,15,235	74,98,95,885	68,62,51,200
B. Dues to be Paid by the Company					
1. Secured Loan	25,41,51,283	19,07,87,461	12,60,57,219	21,85,15,961	16,84,20,146
2. Unsecured Loan	10,17,97,543	23,78,83,147	21,74,79,884	8,11,75,000	7,95,04,000
3. Current Liabilities & Provisions	5,99,13,773	6,40,39,136	4,46,75,744	7,10,49,989	6,60,90,902
Total Outside Liabilities	41,58,62,599	49,27,09,744	38,82,12,847	37,07,40,950	31,40,15,048
C. Net Worth of the Company	39,20,65,076	38,79,86,374	38,42,02,388	37,91,54,935	37,22,36,152
D. Equity shareholder's Fund					
Represented by :					
a. Share Capital	6,90,29,250	6,90,29,250	6,90,29,250	6,90,29,250	6,90,07,796
b. Reserves & Surplus	32,30,35,826	31,89,57,124	31,51,73,138	31,01,25,685	30,32,28,356
Total	39,20,65,076	38,79,86,374	38,42,02,388	37,91,54,935	37,22,36,152
E. Net Profit as disclosed in the P/L A/C	75,84,809	60,61,998	30,78,956	72,45,796	56,06,348
F. Weighted No. of Equity Shares	69,02,925	69,02,925	69,02,925	69,02,925	69,00,780
Net Worth per Equity Share of ₹ 10/- each	57	56	56	55	54
Earnings per Equity Share of ₹ 10/- each	0.63	0.59	0.45	1.05	0.81

Financial Highlights : Profit & Loss A/c

(For the last five years)

Amount in ₹

	2012-13	2011-12	2010-11	2009-10	2008-09
A. Income					
1. Sales	83,10,62,384	67,05,48,167	40,30,81,510	52,58,31,754	44,26,01,562
2. Other Income	35,16,335	24,66,151	54,98,848	31,24,494	42,83,215
Total Income	83,45,78,719	67,30,14,318	40,85,80,358	52,89,56,248	44,68,84,777
B. Expenditure					
1. Increase/Decrease in stock	(2,23,20,352)	1,20,02,187	3,99,09,856	(1,47,92,564)	(3,42,30,987)
2. Raw Materials Consumed	30,93,10,741	22,58,10,959	17,52,26,389	34,71,08,920	29,44,37,396
3. Personnel Expenses	3,60,45,528	3,71,52,107	2,98,89,689	3,62,89,575	3,28,60,886
4. Power & Fuel	8,54,06,594	6,82,49,842	5,97,46,198	6,12,01,668	5,79,46,301
5. Consumption of Stores & Spare parts	1,94,67,392	1,85,75,713	1,76,42,727	1,89,37,065	1,53,37,453
6. Repairs & Maintenance	1,57,91,550	91,34,222	77,66,347	52,47,832	49,33,108
7. Cost of Traded Goods	30,31,88,800	21,04,72,516	—	—	—
8. Selling & Packing Expenses	1,10,48,699	91,38,352	83,32,229	88,55,384	92,78,968
9. Administrative Expenses	1,74,86,108	1,38,01,710	1,45,86,002	1,61,52,834	1,53,83,972
10. Interest (Net of Subsidy)	3,15,91,870	4,34,68,688	3,21,83,031	2,35,63,844	2,36,94,402
11. Depreciation	1,99,76,980	1,91,46,023	2,02,18,935	1,91,45,896	2,16,36,930
Total Expenditure	82,69,93,910	66,69,52,319	40,55,01,401	52,17,10,454	44,12,78,429
Profit Before Taxation	75,84,809	60,61,999	30,78,957	72,45,794	56,06,348
Provision For Income Tax-Current Tax	14,00,000	17,00,000	7,90,000	10,70,000	—
Fringe Benefit Tax	—	—	—	—	4,50,000
Provision For Deferred Tax	8,00,000	8,50,000	7,50,000	7,50,000	7,00,000
Income Tax for Earlier Years	10,53,096	(5,36,169)	—	1,36,127	3,91,678
Profit After Taxation	43,31,713	40,48,168	15,38,957	52,89,667	40,64,670
Balance b/f From Earlier Years	11,26,46,258	10,85,98,090	10,70,59,131	10,17,69,462	9,77,04,792
Balance Carried To Balance Sheet	11,69,77,971	11,26,46,258	10,85,98,090	10,70,59,129	10,17,69,462

• Figures for previous years have been regrouped / rearranged.

• Presentation not strictly in accordance with revised schedule VI.

Independent Auditor's Report

To
The Members of
Terai Tea Company Limited
10, Govt. Place (East)
Kolkata - 700 069

Report on the Financial Statements

We have audited the accompanying financial statements of **TERAI TEA COMPANY LIMITED** which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place : Hill Cart Road, Siliguri

Dated : 29th May, 2013

For **P.K. Shah & Co.**

Chartered Accountants

Firm Registration No. : 308150E

Sd/-

P K Shah

Partner

Membership No. 14740

Independent Auditor's Report (Contd.)

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Terai Tea Company Limited for the year ended 31st March 2013. We report that:

- i. In respect of its Fixed Assets-
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Some of the fixed assets have been physically verified by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
 - c. No fixed assets were disposed off during the year.
- ii. In respect of its inventories:
 - a. As explained to us, the stock of finished products and stores materials of the Company have been physically verified by the management during the year except for stock of tea lying at warehouse or consignment agents which has been verified by subsequent sales.
 - b. In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion the Company is maintaining proper records of inventory. The discrepancies between the physical stocks and the book stocks have been dealt with properly and were not material.
- iii. In respect of unsecured loans granted by the Company to the parties covered in Register under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:
 - a. The company has granted interest free unsecured loans / advances against contracts to 11 parties. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to ₹ 31.35 Crores and ₹ Nil respectively.
 - b. The company has taken interest free unsecured loans / advances against contracts from seven parties. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to ₹ 11 Crores and ₹ 0.18 Crores respectively.
 - c. In our opinion, considering the nature of transactions, the terms and conditions on which such loans/ advances have been granted to and taken from such parties are not, prima facie, prejudicial to the interests of the company.
 - d. In respect of the loans/advances granted and taken as aforesaid there is no stipulation for repayment on fixed intervals.
- iv. In our opinion and in accordance with the information and explanation given to us, the internal control procedures for the purchase of inventory, raw materials, stores and fixed assets and for the sale of goods & services are adequate and commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956 and to the best of our knowledge & belief and according to information and explanations given to us:
 - a. The particulars of the contracts/ transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and having regards to our comments in paragraph (iv) above, the transactions (excluding loans/ advances reported in paragraph (iii) above) exceeding the value of ₹ 5 lakhs in respect of any party during the period, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the explanations given to us, the company has not accepted Deposits from the public during the year. Therefore, the provisions of clause 4(vi) of CARO are not applicable to the Company.

Independent Auditor's Report (Contd.)

- vii. In our opinion the company has internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us and in our opinion, there are no dues of customs duty, Wealth Tax, Service Tax, Excise Duty, Cess and Income Tax which have not been deposited as on 31st March 2013 on account of any dispute, excepting the following-
"Agricultural Income Tax liability of ₹ 30.52 lakhs for accounting year 1995-96 and 1996-97 which is pending at West Bengal Tax Tribunal. (Refer Note No. 35)"
- x. The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the explanations given to us, the company has not defaulted in repayment of dues to Financial Institution, Bank or Debenture Holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund/society.
- xiv. The Company has not entered in to transactions of trading in shares, securities, debentures and other investments.
- xv. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Hill Cart Road, Siliguri
Dated : 29th May, 2013

For **P.K. Shah & Co.**
Chartered Accountants
Firm Registration No. : 308150E
Sd/-
P K Shah
Partner
Membership No. 14740

BALANCE SHEET As at March 31st, 2013

(Amount in ₹)

	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Capital	3	6,90,29,250		6,90,29,250	
(b) Reserves and surplus	4	32,30,35,826	39,20,65,076	31,89,57,124	38,79,86,374
(2) Non - Current Liabilities					
(a) Long Term Borrowings	5	14,68,48,800		28,42,40,510	
(b) Long Term Provisions	8	54,25,833		45,45,301	
(c) Deferred Tax Liabilities	8	59,05,000	15,81,79,633	51,05,000	29,38,90,811
(3) Current Liabilities					
(a) Short Term Borrowings	6	20,91,00,026		14,44,30,098	
(b) Trade Payables	7	2,91,23,655		2,84,71,617	
(c) Other Current Liabilities	7	1,11,50,708		1,88,11,097	
(d) Short - Term Provisions	8	83,08,577	25,76,82,966	71,06,121	19,88,18,933
TOTAL			80,79,27,675		88,06,96,118
II ASSETS					
(1) Non - Current Assets					
(a) Fixed Assets	9	33,93,57,219		32,74,97,800	
(b) Non - Current Investment	10	8,53,34,241		8,33,89,301	
(c) Trade Receivables	12	1,06,10,654		92,90,291	
(d) Loans & Advances	15	1,94,08,273	45,47,10,387	6,29,52,363	48,31,29,755
(2) Current Assets					
(a) Inventories	13	9,16,49,677		6,74,41,471	
(b) Current Investments	11	3,26,43,064		3,39,35,227	
(b) Trade Receivables	12	6,77,53,027		5,15,88,684	
(c) Cash and Cash equivalent	14	83,20,506		2,68,84,753	
(d) Short - Term Loan and Advances	15	15,28,51,014	35,32,17,288	2,17,716,228	39,75,66,363
TOTAL			80,79,27,675		88,06,96,118

The accompanying Notes form an integral part of these Financial Statements.

This is the Balance Sheet referred to in our report of even date

For and on behalf of
P K SHAH & CO.
Chartered Accountants
FRN 308150E

Sd/-
P K Shah
Partner
Membership No 14740

Place : Hill Cart Road, Siliguri
Dated : May 29th, 2013

For and on behalf of the Board of Directors

Sd/-
Ajit Kumar Agarwala
Chairman & Managing Director

Sd/-
Shashikala Agarwala
Director

Sd/-
Roshan Dave
Company Secretary

PROFIT AND LOSS STATEMENT For the year ended March 31st, 2013 (Amount in ₹)

	Note No.	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
I Revenue from Operation (Gross)	16	83,37,08,693	67,31,19,172
Less- Excise Duty	16	26,46,309	25,71,005
Net Revenue from Operations		83,10,62,384	67,05,48,167
II Other Income	17	35,16,335	24,66,151
III Total Revenue (I+II)		83,45,78,719	67,30,14,318
IV Expenses			
Cost of Material Consumed	18	30,93,10,741	22,58,10,959
Cost of Traded Goods	18	30,31,88,800	21,04,72,516
Cost of Power & Fuel Consumed	19	8,54,06,594	6,82,49,842
Cost of Store Consumed	20	1,94,67,392	1,85,75,713
(Increase)/Decrease in Inventories	21	(2,23,20,352)	1,20,02,187
Personnel Expenses	22	3,60,45,528	3,71,52,107
Selling Expenses	23	1,10,48,699	91,38,352
Repairs & Maintenance	24	1,57,91,550	91,34,222
Administrative and other expenses	25	1,74,86,108	1,38,01,710
Financial Cost	26	3,15,91,870	4,34,68,688
Depreciation	9	1,99,76,980	1,91,46,023
Total Expenses		82,69,93,910	66,69,52,319
V Profit Before Tax (III - IV)		75,84,809	60,61,999
VI Tax Expense:			
(1) Current Tax		14,00,000	17,00,000
(2) Tax expense for earlier years		10,53,096	(5,36,169)
(3) Deferred Tax		8,00,000	
VII Profit (Loss) for the period (V - VI)		32,53,096	8,50,000
VIII Earnings per equity share:		43,31,713	20,13,831
(1) Basic	39	0.63	0.59
(2) Diluted		0.63	0.59

The accompanying Notes form an integral part of these Financial Statements.

This is the Statement of Profit & Loss referred to in our report of even date

For and on behalf of
P K SHAH & CO.
Chartered Accountants
FRN 308150E

Sd/-
P K Shah
Partner
Membership No 14740

Place : Hill Cart Road, Siliguri
Dated : May 29th, 2013

For and on behalf of the Board of Directors

Sd/-
Ajit Kumar Agarwala
Chairman & Managing Director

Sd/-
Shashikala Agarwala
Director

Sd/-
Roshan Dave
Company Secretary

CASH FLOW STATEMENT for the year ended March 31st, 2013

(Amount in ₹)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
(I) Net Profit before Tax	75,84,811	60,61,998
(II) Adjusted for		
Depreciation	1,99,76,980	1,91,46,023
Investment income	(9,23,013)	(5,14,084)
Financial Expenses	3,15,91,870	4,34,68,688
Operating profit before working capital changes (I) + (II)	5,82,30,648	6,81,62,625
(III) Changes in		
Trade and other receivables	(1,74,84,708)	(2,22,03,609)
Inventories	(2,42,08,206)	1,40,75,381
Trades payable & Provisions	22,15,213	19,30,917
Loans & Advances	10,94,42,207	(86,52,923)
Pre-operative Expenses	—	6,99,64,506
Cash generated from operations (I) + (II) + (III)	12,81,95,154	5,33,12,392
Interest paid	(3,15,91,870)	(4,34,68,688)
Direct Taxes paid	(20,85,998)	(3,36,77,868)
NET CASH FROM OPERATING ACTIVITIES (A)	9,45,17,286	82,49,367
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,22,91,375)	(6,15,54,422)
Capital investment & Development subsidy	2,01,965	1,53,511
Interest & Dividend Received	9,23,013	5,14,084
Profit on sale of Fixed Assets	—	—
Increase in Investments	(6,52,777)	(3,30,26,255)
NET CASH USED FOR INVESTING ACTIVITIES (B)	(3,18,19,174)	(9,39,13,082)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from Issue of Shares	—	—
Increase In Borrowings	(8,12,62,359)	10,21,58,668
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(8,12,62,359)	10,21,58,668
D. NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)=D	(1,85,64,247)	1,64,94,953
E. CASH & CASH EQUIVALENTS-OPENING BALANCE	2,68,84,753	1,03,89,800
F. CASH & CASH EQUIVALENTS-CLOSING BALANCE	83,20,506	2,68,84,753

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow statement of Terai Tea Company Limited for the year ended 31st March 2013. The Statement has been prepared by the Company in accordance with the requirements of listing agreements and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th May 2013 to the members of the Company.

For and on behalf of

P K SHAH & CO.

Chartered Accountants

FRN 308150E

Sd/-

P K Shah

Partner

Membership No 14740

Place : Hill Cart Road, Siliguri

Dated : May 29th, 2013

Sd/-

Ajit Kumar Agarwala

Chairman & Managing Director

Sd/-

Shashikala Agarwala

Director

Sd/-

Roshan Dave

Company Secretary

Notes to Financial Statements

Note 1: Corporate information

Terai Tea Co Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The company is engaged in the manufacturing and selling of Tea trading in Merchandise.

Note 2: Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and under the historical cost convention except for land & plantations, building and plant & machinery acquired before 1st April, 1994 that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy explained below.

Note 2.1 Summary of significant accounting policies

a. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

b. Fixed Assets

Fixed assets, except land and plantation, building and plant & machinery acquired before 1st April, 1994 are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price, interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

c. Depreciation on Fixed Assets

- Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- Freehold land and plantation is not depreciated.
- Depreciation on the revalued portion is debited to Revaluation Reserve.

d. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current investments are stated at the lower of cost and fair value. Long-term investments or non-current investment are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline is recognised and charged to profit and loss account.

e. Inventories

- Stock of stores, spares part and food stuff have been taken on the basis of physical verification conducted by the management at the year end and valued at cost which is arrived at on FIFO method.
- Stock of tea produced is valued on since sold &/or estimated sales realization basis.

Notes to Financial Statements (Contd.)

f. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Income from Services

Revenue from services is recognized when the service is completed as per terms of agreement.

Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss account. Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

g. Retirement Benefits:

Retirement benefits includes provident fund, gratuity fund and leave encashment benefits. Company's contributions to Provident Fund are charged to Statement of Profit & Loss on accrual basis. In respect of Gratuity, liability has been provided for on the basis of actuarial valuation and in respect of leave encashment benefits, the Company accounts for the same on cash basis and neither the liability is actuarially determined at the end of accounting period nor any provision made for accrued liability.

h. Borrowing costs:

Borrowing costs are expensed in the accounting period in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalized. Borrowing cost is net of subsidy on interest received/ receivable as per the Incentive Scheme of the Government.

i. Provision for current & deferred tax:

Tax expense comprises of both current tax and deferred tax. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j. Subsidies and incentives:

Subsidies receivable on account of capital assets or of revenue nature are accounted for on the basis of claims made with the concerned authorities.

k. Gratuity:

Disclosure as per actuarial report of independent actuary:

Amount of obligation as at the year end is determined as under

Description	March 31, 2013	March 31, 2012
Present value of obligation at the beginning of the year	58,33,152	49,03,109
Interest cost	5,32,093	4,29,450
Current service cost	3,17,416	3,07,754
Actual (gain)/loss on obligation	(2,14,761)	4,75,932
Benefits paid	(4,76,760)	(2,83,094)
Present value of obligation as at the end of the year	59,91,140	58,33,152

Notes to Financial Statements (Contd.)

Change in Plan Assets

Description	March 31, 2013	March 31, 2012
Plan assets at the beginning of the year	—	—
Expected Return	—	—
Contribution	4,76,760	2,83,094
Actual (gain)/loss on obligation	—	—
Benefits paid	(4,76,760)	(2,83,094)
Present value of obligation as at the end of the year	—	—

Amount of the obligation recognised in Balance Sheet :

Description	March 31, 2013	March 31, 2012
Present value of obligation as at the end of the year	59,91,140	58,33,152
Fair value of plan assets at the end of the year	—	—
Net assets/(liability) recognised in the Balance Sheet	(59,91,140)	(58,33,152)

Amount of the Gratuity expenses recognised in the statement of profit and loss :

Description	March 31, 2013	March 31, 2012
Current service cost	3,17,416	3,07,754
Interest cost	5,32,093	4,29,450
Expected return on plan assets	—	—
Actuarial(gain)/loss recognised during the year	(2,14,761)	4,75,932
Total	6,34,748	12,13,137

Amount of the obligation recognised in Balance Sheet :

Description	March 31, 2012	March 31, 2012
Discount Rate per annum compound	8.25%	8.00%
Rate of increase salaries	5.00%	5.00%
Rate of return on plan assets	0.00%	0.00%
Expected average remaining working lives of employees (years)	17.66%	16.85%

Withdrawal rate varying between 8% per annum to 1% per annum depending on duration and age of the employees.

Notes to Financial Statements (Contd.)

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
3 : SHARE CAPITAL		
Authorised		
1,00,00,000 Equity shares of ₹ 10 each	10,00,00,000	10,00,00,000
Issued, subscribed and paid-up		
68,79,300 (68,79,300) Equity shares of ₹ 10 each	6,87,93,000	6,87,93,000
Add. Forfeited Shares (Pending reissue of 94,500) Forfeited Equity Shares on which ₹ 2.50 per share is paid up)	2,36,250	2,36,250
	6,90,29,250	6,90,29,250

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Share	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	₹	No of shares	₹
At the Beginning of the period	68,79,300	6,87,93,000	68,79,300	6,87,93,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	68,79,300	6,87,93,000	68,79,300	6,87,93,000

b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	% holding	No of shares	% holding
Ajit Kumar Agarwala	25,76,800	37.46%	2,576,800	37.46%
Shashikala Agarwala	18,98,800	27.60%	1,898,800	27.60%
Abhijit Tea Company Pvt. Ltd.	470,000	6.83%	470,000	6.83%
Gangotri Vyapar Pvt. Ltd.	346,200	5.03%	346,200	5.03%
Flexco Suppliers Pvt. Ltd.	348,600	5.07%	348,600	5.07%
Adbhut Vyapar Pvt. Ltd.	347,500	5.05%	347,500	5.05%
Eversafe Distributors Pvt. Ltd.	347,500	5.05%	347,500	5.05%

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to Financial Statements (Contd.)

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
4: RESERVES AND SURPLUS		
A. CAPITAL RESERVES		
Capital subsidies		
At the beginning of the year	7,93,51,373	7,91,97,862
Addition during the year	2,01,965	1,53,511
Total at the end of the year	7,95,53,338	7,93,51,373
B. REVALUATION RESERVE		
At the beginning of the year	3,84,41,348	3,88,59,038
Less- Depreciation on revaluation	4,54,976	4,17,690
Balance at the end of the year	3,79,86,372	3,84,41,348
C. SHARE PREMIUM	7,64,56,000	7,64,56,000
D. SHARE FORFEITURE AMOUNT	9,45,000	9,45,000
E. GENERAL RESERVE		
At the beginning of the year	1,11,17,148	1,11,17,148
Addition during the year	—	—
Total at the end of the year	1,11,17,148	1,11,17,148
F. SURPLUS AS PER PROFIT AND LOSS ACCOUNT		
Balance brought from Previous Year	11,26,46,255	10,85,98,087
During the year	43,31,713	40,48,168
Balance at the end of the year	11,69,77,968	11,26,46,255
Total (A+B+C+D+E+F)	32,30,35,826	31,89,57,124

5: LONG TERM BORROWINGS

Term Loan from Banks- Secured	4,68,48,800	5,23,57,017
Term Loan from Banks- Unsecured	—	9,00,00,000
Loan from Related Parties- unsecured	—	7,81,63,493
Loan from Others- unsecured	10,00,00,000	6,37,20,000
	14,68,48,800	28,42,40,510
The above amount includes		
Secured Borrowings	4,68,48,800	523,57,017
Unsecured Borrowings	10,00,00,000	23,18,83,493
	14,68,48,800	28,42,40,510

Term Loan referred above to the extent of :

- Term Loan from Central Bank of India of ₹ 441 lakh carries interest @ Base Rate plus 1.75% p.a. The loan is repayable in 20 equal quarterly installments after 24 months moratorium period. The Loan is secured by bank's charge on replantation on areas having tea bushes of age group 50 years and above in the Company's Bagdogra Tea estate and also guaranteed by its Directors Sri Ajit Kumar Agarwala and Smt Shashikala Agarwala.
- Term Loan from Axis Bank of ₹ 27.48 lakh is secured against hypothecation of Car and carries interest @ 10.43% p.a. on a monthly reducing basis and is repayable in 60 equal monthly installments including interest.
- Unsecured Term Loan of ₹ 1000 lakhs from other are due for repayment after 3 years of deposit and carries no interest.

Notes to Financial Statements (Contd.)

(Amount in ₹)

6 : SHORT TERM BORROWINGS

	As at 31st March, 2013	As at 31st March, 2012
Working Capital Loan from Banks- Secured	20,73,02,483	13,84,30,44
Loan from Related Parties	17,97,543	59,99,65
	<u>20,91,00,026</u>	<u>14,44,30,09</u>
a) <u>Loans repayable on demand</u>		
From Central Bank of India- secured	7,62,77,653	10,30,57,48
From Bank of India- secured	3,10,24,830	3,53,72,96
From Yes Bank- secured	10,00,00,000	
b) Interest free loan and advances from related parties repayable on demand	17,97,543	59,99,65
	<u>20,91,00,026</u>	<u>14,44,30,09</u>

The above amount includes

Secured Borrowings	20,73,02,483	13,84,30,44
Unsecured Borrowings	17,97,543	59,99,65
a. Working Capital loans are against bank's exclusive 1st charge by Hypothecation of stocks of finished goods, raw materials and stores and book debts and equitable mortgage of land and building in Tea Garden and Tea Factory and guaranteed by Directors Sri Ajit Kumar Agarwala and Smt. Shashikala Agarwala. CC limit from Bank of India carries interest @ BR plus 1.75% and from Central Bank of India carries interest @ BR plus 1.75%.		
b. Short Term Loan from Yes Bank of ₹ 1000 lakh carries interest @ Yes Bank base rate currently Yes Bank base rate is 10.5 p.a. and repayable after 9 months from the date of disbursement. The loan is secured by equitable mortgage of property situated at Mouza- Dabgram, Pargana-Balkuntapur, Bhaktinagar, Dist Jalpaiguri in the name of M/s Abhijit Tea Company Ltd. Loan is also guaranteed by its Directors Sri Ajit Kumar Agarwala and Smt. Shashikala Agarwala and further corporate guarantee of M/s Abhijit Tea Co (P) Ltd.		
c. Unsecured Loan of ₹ 17.98 lakh from related parties and others are due for repayment within one year and carries no interest.		

7 : OTHER CURRENT LIABILITIES

A. Trade payables	2,91,23,655	2,84,71,6
B. Other Liabilities		
Current Maturities of Long Term Debt :		
– From Central Bank of India- Term Loan Interest	78,41,600	1,34,247
– From UCO Bank payable in next 1 year	—	1,62,13,161
Axis Bank Installments	6,42,986	6,77,755
Other Liabilities	26,66,122	17,85,934
	<u>1,11,50,708</u>	<u>1,88,11,0</u>
	<u>4,02,74,363</u>	<u>4,72,82,7</u>

8 : PROVISIONS

	Non-Current		Current	
	31st March, 13	31st March, 12	31st March, 13	31st March, 12
For Bonus	—	—	42,00,000	36,75,0
For Income Tax	—	—	33,93,270	19,93,2
For Deferred Tax	59,05,000	51,05,000	—	—
For Gratuity	54,25,833	45,45,301	5,65,307	12,87,8
For Audit Fees	—	—	1,50,000	1,50,0
	<u>1,13,30,833</u>	<u>96,50,301</u>	<u>83,08,577</u>	<u>71,06,1</u>

Notes to Financial Statements (Contd.)

(Amount in ₹)

9 : FIXED ASSETS AS ON 31.3.2013

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening	Additions	Adjst/Sold	Closing	Last Year	For the year	Adjst/Sold	Total to Date	This Year	Last year
LAND & PLANTATION	7,07,28,239	8,09,23,691	—	15,16,51,930	—	—	—	—	15,16,51,930	7,07,28,239
FACTORY BUILDING	14,85,13,865	1,97,34,617	—	16,82,48,482	9,34,87,449	53,43,928	—	9,88,31,377	6,94,17,105	5,50,26,416
BUILDING & STRUCTURE	1,02,35,083	—	—	1,02,35,083	53,08,100	2,46,348	—	55,54,448	46,80,635	49,26,983
PLANT & MACHINERY	22,49,01,503	67,50,086	—	23,16,51,589	14,89,81,044	1,01,29,070	—	15,91,10,114	7,25,41,475	7,59,20,459
FURNITURE & FIXTURE	1,37,02,821	69,097	—	1,37,71,918	60,52,015	13,87,714	—	74,39,729	63,32,189	76,50,806
AIR CONDITIONER	6,17,660	—	—	6,17,660	4,43,587	24,214	—	4,67,801	1,49,859	1,74,073
DATA PROCESSING UNIT	10,56,170	2,01,212	—	12,57,382	8,71,921	90,377	—	9,62,298	2,95,084	1,84,249
VEHICLES	1,10,55,579	50,46,511	—	1,61,02,090	93,05,553	17,59,625	—	1,10,65,178	50,36,912	17,50,026
ELECTRIC INSTALLATION	1,70,69,582	18,68,645	—	1,89,38,227	1,25,74,267	6,94,957	—	1,32,69,224	56,69,003	44,95,315
IRRIGATION EQUIPMENT	1,34,32,775	—	—	1,34,32,775	84,12,831	6,98,273	—	91,11,104	43,21,671	50,19,944
OFFICE EQUIPMENT	17,82,636	36,650	—	18,19,286	14,22,404	57,450	—	14,79,854	3,39,432	3,60,232
GOLD & SILVER	1,17,21,365	18,03,069	—	1,35,24,434	—	—	—	—	1,35,24,434	1,17,21,365
DHARANIPUR TEA ESTATE	49,39,188	1,07,691	—	50,46,879	—	—	—	—	50,46,879	49,39,188
LAND AT BANGALORE	3,50,611	—	—	3,50,611	—	—	—	—	3,50,611	3,50,611
SUB TOTAL	53,01,07,077	11,65,41,269	—	64,66,48,346	28,68,59,171	2,04,31,956	—	30,72,91,127	33,93,57,219	24,32,47,906
CAPITAL WORK IN PROGRESS	8,42,49,894	—	8,42,49,894	—	—	—	—	—	—	8,42,49,894
TOTAL	61,43,56,971	11,65,41,269	8,42,49,894	64,66,48,346	28,68,59,171	2,04,31,956	—	30,72,91,127	33,93,57,219	32,74,97,800
PREVIOUS YEAR FIGURES*	55,28,02,549	6,15,99,262	44,840	61,43,56,971	26,72,95,458	19,56,3713	—	28,68,59,171	32,74,97,800	—

10 : NON-CURRENT INVESTMENT

TRADE INVESTMENT

Investment in Associates (Unquoted)	Face Value	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares/Unit	Cost Price	No. of Shares/Unit	Cost Price
East Indian Produce Ltd.	10	28,680	40,74,863	28,680	40,74,863
Jaldacca Tea Plantations (P) Ltd.	1000	475	42,75,000	475	42,75,000
Terai Distilleries Ltd.	10	20,000	90,500	20,000	90,500
Abhijit Tea Co. (P) Ltd.	100	3,738	33,078,230	3,738	33,078,230
The Kharibari Tea Co. Ltd.	10	48,937	39,42,000	48,937	39,42,000
Terai Dooars Tea Co. (P) Ltd.	10	1,44,000	14,40,000	1,44,000	14,40,000
Sayedabad Tea Co. Ltd.	10	1,500	15,000	1,500	15,000
Terai Ispat & Trading Ltd.	10	20,000	2,00,000	20,000	2,00,000
Investment in Equity Instruments (Quoted)					
Bajaj Hindustan Ltd.	1	4,000	3,40,891	4,000	3,40,891
Central Bank of India	10	2,388	3,61,762	2,388	3,61,762
IFCI Ltd.	10	2,000	1,06,128	2,000	1,06,128
Jayshree Tea & Industries Ltd.	5	1,000	1,61,230	1,000	1,61,230
Rural Electrification Corporation Ltd.	10	1,000	2,63,200	1,000	2,63,200
Investment in Mutual Fund (Unquoted)					
Reliance Money Manager Fund		1,127.258	17,00,000	—	—
Reliance Regular Saving Fund - Equity Plan		2,07,493.721	50,00,000	2,07,493.721	50,00,000
Kotak Indo World Fund - Dividend		2,50,000.000	25,00,000	2,50,000.000	25,00,000
Prudential ICICI Liquid Plus Fund		—	—	1,42,038.050	40,00,000
ICICI Multiyield Fund		4,24,494.000	42,44,940	—	—
J M Agri & Infra Fund - Growth		2,50,000.000	25,00,000	2,50,000.000	25,00,000
DSP BR Money Manager Fund		8,975.254	1,17,00,000	8,975.254	1,17,00,000

Notes to Financial Statements (Contd.)

(Amount in ₹)

10 : TRADE INVESTMENTS (Contd.)	As at 31st March 2013		As at 31st March 2012	
	No. of Shares /Units	Cost Price	No. of Shares /Units	Cost Price
HDFC Floating Rate Income Fund	1,53,884.520	24,68,000	1,53,884.520	24,68,000
HSBC Liquid Plus Fund	3,51,539.270	68,72,497	3,51,539.270	68,72,497
		8,53,34,241		8,33,89,301
Aggregate amount of quoted investments		12,33,211		12,33,211
Market value of quoted investments		5,80,930		7,40,628
Aggregate amount of unquoted investments		8,41,01,030		8,21,56,090

11 : CURRENT INVESTMENT

Current Investments (valued at lower of cost and fair value, unless stated otherwise)

Quoted Equity Instruments	Face Value	31st March 2013		31st March 2012	
		No. of shares	Cost price	No. of shares	Cost price
Bhel Ltd.	10	2,500	9,32,189	2,500	9,32,189
Exide Industries Ltd.	1	5,000	7,47,812	5,000	7,47,812
Hindalco Industries Ltd.	1	28,500	53,11,212	28,500	53,11,212
Infosys Technologies Ltd.	5	900	25,52,502	900	25,52,502
Reliance Industries Ltd.	10	9,500	84,68,787	9,500	84,68,787
State Bank of India	10	2,500	57,94,664	2,500	57,94,664
Tata Motors Ltd.	10	—	—	6,500	12,92,163
Tata Steel Ltd.	10	4,600	26,27,043	4,600	26,27,043
UCO Bank	10	5,000	4,49,145	5,000	4,49,145
United Bank of India	10	50,000	56,34,710	50,000	56,34,710
			3,25,18,064		3,38,10,227
Unquoted Investments					
Techno Steel India (P) Ltd	50	2,500	1,25,000	2,500	1,25,000
Total Current Investment			3,26,43,064		3,39,35,227
Aggregate amount of quoted investments			3,25,18,064		3,38,10,227
Market Value of Quoted investments			2,33,60,550		27,5,76,420
Aggregate amount of unquoted investments			1,25,000		1,25,000

12 : TRADE RECEIVABLES

- A. Unsecured Considered good unless stated otherwise
Outstanding for a period exceeding six months from date they are due for payment
Unsecured Considered good
- B. Other Receivables
Unsecured Considered Good

Total (A+B)

Non-Current As at		Current As at	
31-03-2013	31-03-2012	31-03-2013	31-03-2012
49,11,249	35,90,885	60,14,829	3,84,34,783
56,99,405	56,99,406	6,17,38,198	1,31,53,901
1,06,10,654	92,90,291	6,77,53,027	5,15,88,684

Notes to Financial Statements (Contd.)

(Amount in ₹)

13 : INVENTORIES

	As at 31st March 2013	As at 31st March 2012
Raw Materials (At lower of cost and net realisable value)	1,46,719	5,40,702
Power & Fuels (At lower of cost and net realisable value)	33,24,363	10,52,247
Finished Goods (At estimated sales realization value)	8,01,72,200	5,78,51,848
Stores (At lower of cost and net realisable value)	80,06,395	79,96,674
	<u>9,16,49,677</u>	<u>6,74,41,471</u>

14 : CASH AND BANK BALANCES

Cash and Cash Equivalents		
Cash in hand (as certified by the Management)	15,57,495	31,33,279
Bank Balances with Bank in Current Accounts	1,24,139	85,363
Other Bank Balances		
In Fixed Deposit	62,34,776	2,25,68,917
Accrued Interest on Fixed Deposit	4,04,096	10,97,194
	<u>83,20,506</u>	<u>2,68,84,753</u>

15 : LOANS AND ADVANCES

A. Capital Advances

Unsecured considered good

B. Security Deposit

Secured considered good

C. Loans And Advances to Related Parties [note no 37(b)]

Unsecured considered good

D. Advances Recoverable In Cash or Kind

Unsecured considered good

Sub Total (A+B+C+D) = E

F. Other Loans and Advances

Advance Income Tax (net of provision for taxation)

Prepaid Expenses

Loans to Company

Balances With Statutory/
Government Authorities

Other Advances

Sub Total (F)

Total (E+F)

Non-Current		Current	
31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
—	—	43,750	1,60,000
6,53,150	8,14,219	—	—
—	60,00,742	95,000	19,68,65,179
—	9,39,470	1,80,20,082	1,70,94,325
6,53,150	77,54,431	1,81,58,832	21,41,19,504
—	—	32,96,688	22,63,786
—	3,78,00,000	—	—
—	—	12,93,46,994	—
1,33,67,700	1,33,67,700	5,21,681	4,43,578
53,87,423	40,30,232	15,26,819	8,89,360
1,87,55,123	5,51,97,930	13,46,92,182	35,96,724
1,94,08,273	6,29,52,363	15,28,51,014	21,77,16,228

Notes to Financial Statements (contd.)

(Amount in ₹)

	For the year ended	
	31st March, 2013	31st March, 2012
16 : REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods (Tea Sale)	52,49,38,328	42,22,25,064
Traded Goods (Jute Sale)	30,38,10,215	22,09,48,108
Other Sales	49,60,150	
Sale of Services		
Agricultural Operations Contract Work	—	2,99,46,000
Gross Operating Revenue	83,37,08,693	67,31,19,172
Less : Excise Duty	26,46,309	25,71,005
	83,10,62,384	67,05,48,167
17 : OTHER INCOME		
Interest Income	3,01,579	1,85,461
Dividend Income	5,13,315	3,26,230
Profit On Sale of Current Investments	6,21,434	3,28,623
Other Non Operating Income	20,80,007	16,25,837
	35,16,335	24,66,151
18 : COST OF MATERIAL CONSUMED		
Purchases	30,90,08,477	22,47,12,072
Add : Opening Stock	4,48,983	15,47,870
Less : Closing Stock	(1,46,719)	(4,48,983)
	30,93,10,741	22,58,10,959
Purchases of Traded Goods	30,31,88,800	21,04,72,516
	61,24,99,541	43,62,83,475
19 : COST OF POWER & FUEL CONSUMED		
Purchases	8,76,78,710	6,74,05,703
Add : Opening Stock	10,52,247	18,96,380
Less : Closing Stock	(33,24,363)	(10,52,247)
	8,54,06,594	6,82,49,844
20 : COST OF STORE CONSUMED		
Purchases	1,90,98,425	1,82,20,811
Add: Opening Stock	7,89,208	11,44,100
Less: Closing Stock	(4,20,241)	(7,89,208)
	1,94,67,392	1,85,75,711
21 : (INCREASE)/DECREASE IN INVENTORIES		
Inventories at the end of the year	(8,01,72,200)	(5,78,51,840)
Inventories at the Beginning of The year	5,78,51,848	6,98,54,030
	(2,23,20,352)	1,20,02,180

Notes to Financial Statements (Contd.) (Amount in ₹)

	For the year ended	
	31st March 2013	31st March 2012
22: EMPLOYEE BENEFIT EXPENSES		
Salary Wages Bonus Gratuity Etc	3,23,63,252	3,30,79,013
Contribution to Provident Fund and Other Fund	15,25,458	13,36,211
Gratuity	6,34,748	12,13,137
Staff & Labour Welfare Expenses	15,22,070	15,23,746
	<u>3,60,45,528</u>	<u>3,71,52,107</u>
23 : SELLING EXPENSES		
Freight & Transport Charges	3,38,561	1,66,683
Warehousing Expenses	41,64,373	40,77,075
Brokerage & Other Sale Charges	65,45,765	48,94,594
	<u>1,10,48,699</u>	<u>91,38,352</u>
24 : REPAIRS & MAINTENANCE		
Repairs to :-		
Plant & Machinery	33,04,472	31,21,076
Building & Roads	9,81,586	6,74,902
Others	1,15,05,492	53,38,244
	<u>1,57,91,550</u>	<u>91,34,222</u>
25 : ADMINISTRATIVE EXPENSES		
Rates & Taxes	1,88,680	4,02,887
Insurance	9,53,228	6,83,195
Travelling Expenses	61,18,206	43,61,927
Printing & Stationery	3,65,592	3,40,850
Legal & Professional Charges	6,32,450	7,52,622
Directors Remuneration	24,00,000	14,28,000
Advertisement	4,13,952	3,22,740
Auditors' Remuneration		
- As Audit Fees	90,000	90,000
- As Tax Audit Fees	25,000	25,000
- For Other Matters	53,540	48,390
Subscription & Donation	4,32,191	3,61,146
Keyman Insurance	16,10,625	21,47,500
Office Rent	9,22,500	9,00,000
Electricity Charges	8,95,239	4,21,183
Misc Expenses	23,84,905	15,16,270
	<u>1,74,86,108</u>	<u>1,38,01,710</u>
26 : FINANCIAL COST		
Bank Charges	13,34,912	11,04,560
Bank Interest	3,02,35,251	4,21,17,599
Other Interest	21,707	2,46,529
	<u>3,15,91,870</u>	<u>4,34,68,688</u>

Notes to Financial Statements (Contd.)

27. Earnings and expenditure in Foreign Exchange- (₹ Lakhs)

- Earnings: Sales (FOB Value) : ₹ Nil (₹ NIL)
- Expenditure (Others) : ₹ 15.47 (₹ 6.43)

28. Capital and Other Commitments

At 31st March 2013, the company has commitment of ₹ 1.84 lakh relating to purchase of Plant & Machinery.

29. a) Quantitative Information:

Manufactured Item: Tea

PARTICULARS	OPENING STOCK		PRODUCTION	SALES		CLOSING STOCK	
	QTY KGS.	₹ LAKHS	KGS.	KGS.	₹ LAKHS	QTY KGS.	₹ LAKHS
TEA	5,97,896 (6,82,712)	578.52 (698.54)	51,77,453 (52,01,667)	50,61,577 (52,86,483)	5249.38 (4220.40)	7,13,772 (5,97,896)	801.72 (578.52)

• Sales quantity includes complimentary, sample, tea waste and shortage etc.

b) Quantitative Information of Other Items:

(₹ in Lakhs)

ITEMS	CURRENT YEAR SALES			PREVIOUS YEAR SALES		
	Quantity	Unit	Value	Quantity	Unit	Value
Trading Mercandise (Sales)	12511.00	MT	3038.10	10369.20	MT	2209.48
Trading Mercandise (Purchase)	12511.00	MT	3031.89	10369.20	MT	2104.73

30. Consumption of Raw Materials:

PARTICULARS	QUANTITY (KGS.)		VALUE (₹ LAKHS)	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
i) Green Leaf				
a) from own Tea Garden	21,34,965	19,91,798	NA	NA
b) Purchase from outside	2,10,21,990	2,00,92,027	3093.11	1896.49
ii) Tea	—	2,47,126	--	76.71

31. Consumption of Stores & Spares

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	AMT (₹ Lakhs)	% OF TOTAL	AMT (₹ Lakhs)	% OF TOTAL
Imported	Nil	Nil	Nil	Nil
Indigenous	194.67	100%	185.76	100%

32. The Company has capitalized during the year the following expenses of revenue nature to the cost of fixed assets. Consequently expenses disclosed under the respective Notes are net of amounts capitalized by the company-

	31st March, 2013	31st March, 2012
Financial Cost	--	₹ 32,90,632
Legal expenses	₹ 1,07,691	₹ 4,23,414

33. Government Grants received by the company are as given below:-

Government Grants	₹ 2,01,965	₹ 1,53,511
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Notes to Financial Statements (Contd.)

(Amount in ₹)

34. No provision for contingent liability in respect of the following has been made in the accounts-
i. Outstanding Bank Guarantees amounting to ₹ 86.61 Lakhs (₹ 70.61 Lakhs)
35. The company has accounted for Agricultural Income Tax on cash basis. Total Agricultural Income Tax liability including interest payable thereon not accounted for aggregate ₹ 30.52 lakhs. However, total demand is disputed and case is pending at West Bengal Tax Tribunal.
36. The Company acquired by way of purchase Dharnipur Tea Estate as a going concern from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of pending dispute between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is subject matter of a specific performance suit pending before Hon'ble Kolkata High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and/or loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred therefore.
37. The Company acquired certain interest in a plot of land at Bangalore for which registration in the name of the company has not been done. All expenses of litigation in respect of the said land are considered as deemed cost of land.
38. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

i) **List of Related Parties with whom transactions have taken place and relationships :**

S. No.	Name of Related Party	Nature of Relationship
1	East Indian Produce Limited	Associates Companies
2	Jaldacca Tea Plantations Private Limited	
3	Abhijit Tea Company Private Limited	
4	Terai Infrastructures Limited	
5	Terai Ispat & Trading Limited	
6	Terai Dooars Tea Company Private Limited	
7	Sayedabad Tea Company Limited	
8	Terai Jute Private Limited	
9	Terai Financial Services (P) Limited	
10	The Kharibari Tea Company Limited	
11	Terai Overseas Limited	
12	Terai Distilleries Limited	
13	Terai Resorts & Country Club Pvt. Limited	
14	Amit Paridhan (P) Limited	
15	Kanchanview Tea Estate	Enterprises of Key Management Persons
16	Ajit Kumar Agarwala & Others (HUF)	
17	Sri Ajit Kumar Agarwala	Key Management persons
18	Smt. Shashikala Agarwala	
19	Amit Agarwala Foundation	Public Charitable Trust

ii) **During the year the following transactions were carried out with related parties in the ordinary course of business- (₹ In lakhs)-**

Nature of Transaction	Associates		Key Managerial Personnel		Enterprises / Relatives of K.M.P	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Sales Services & other income	5.96	316.54	—	—	—	—
Purchase of goods & services	36.12	72.24	—	—	—	—
Managerial remuneration	—	—	24.72	14.28	—	—
Advances Given	1,664.38	2,389.02	—	27.62	2.00	69.85
Advances recovered	3,393.39	2,404.67	—	27.62	231.89	76.85
Year End Balances of Advances	0.95	1,446.12	—	—	—	229.89
Max. Amt. O/S During the Year	2,902.93	2,533.20	—	26.83	231.89	271.89

Notes to Financial Statements (Contd.)

(Amount in ₹)

39. Earnings per share -

PARTICULARS	Current Year	Previous Year
NUMERATOR - Net Profit as disclosed in Profit & Loss Account	43.32	40.48
DENOMINATOR - Weighted average no. of Equity Shares	69,02,925	69,02,925
BASIC EARNING PER SHARE (Face value of Rs. 10/- each)	0.63	0.59

40. Directors Remuneration

The increase in the remuneration of the Managing Director from ₹ 15 lacs to 25 lacs w.e.f 1st April, 2012. The said increase in the Managing Director remuneration is authorized by the Board of Directors in their meeting held on 2nd day of November, 2012 and appropriate form with MCA-21 have been filed. However the increase in remuneration is subject to approval of the shareholder in the ensuing Annual General Meeting.

41. Segment-Wise Performance

	Tea Business & Agricultural Income		Trading of Merchandise		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
External Revenues (Net of Excise)	5,298.99	4,521.71	3038.10	2,209.48	8,337.09	6,731.19
Inter- segment Revenue	—	—	—	—	—	—
Total Revenue	5,298.99	4,521.71	3038.10	2,209.48	8,337.09	6,731.19
Result						
Segment Result	350.40	365.89	6.21	104.76	356.61	470.65
Un-allocable Income net of un-allocable exp.	—	—	—	—	—	—
Borrowing Costs (Net)					(315.92)	(434.69)
Other Income					35.16	24.66
Profit Before Tax					75.85	60.62
Tax Expenses					32.53	20.14
Profit after Tax					43.32	40.48
Other Information						
Segment Assets	8,079.28	8,806.96	—	—	8,079.28	8,806.96
Segment Liabilities	8,079.28	8,806.96	—	—	8,079.28	8,806.96
Capital expenditure	322.91	615.99	—	—	322.91	615.99
Depreciation	204.32	195.64	—	—	204.32	195.64

42. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

For and on behalf of
P K SHAH & CO.

Chartered Accountants
FRN 308150E

Sd/-

P K Shah

Partner

Membership No 14740

Place : Hill Cart Road, Siliguri

Dated : May 29th, 2013

This is the balance sheet referred to in our report of even date
For and on behalf of the Board of Directors

Sd/-

Ajit Kumar Agarwala

Chairman & Managing Director

Sd/-

Shashikala Agarwala

Director

Sd/-

Roshan Dave

Company Secretary



TERAI TEA COMPANY LIMITED
Registered Office : 10, Government Place (East)
Kolkata- 700069

PROXY

I/We of
of being a member/
members of **TERAI TEA COMPANY LIMITED** hereby appoint
..... of
of failing him of
as my / our proxy to attend and vote for me / us on my / our behalf at the 40th Annual General Meeting of the
members of **TERAI TEA COMPANY LIMITED** to be held at Registered Office of the Company at 10, Govt. Place
(East) Kolkata-700069 on Monday, the 30th September, 2013 at 10:00 A.M. and at any adjournment thereof.

Signed at this day of 2013

Note : If a member is unable to attend the meeting, he may sign this form and send it to the
Company at its Registered Office so as to reach the Company not less than 48 hours
before the time of holding meeting.

Affix ₹ 1/-
Revenue
Stamp



TERAI TEA COMPANY LIMITED
Registered Office : 10, Government Place (East)
Kolkata- 700069

ATTENDANCE SLIP

Name of the shareholder/ Proxy*

Folio No.

No. of Shares held

I hereby record my presence at the 40th Annual General Meeting held at Registered office of the Company
at 10, Govt. Place (East), Kolkata - 700 069 on Monday, the 30th September, 2013, at 10:00 A.M.

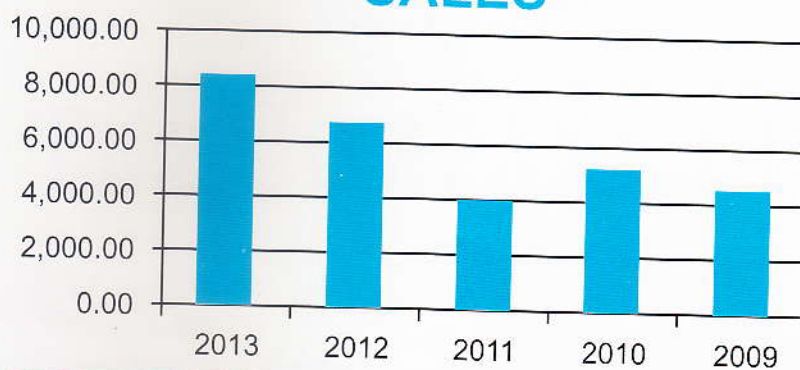
SIGNATURE OF THE SHAREHOLDER/ PROXY*

*Strike out whichever is not applicable.

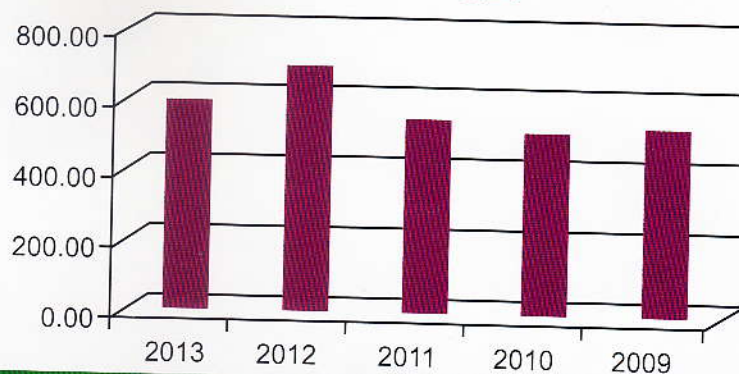
Note : Please handover the slip at the entrance of the meeting venue.

(₹ in Lakhs)

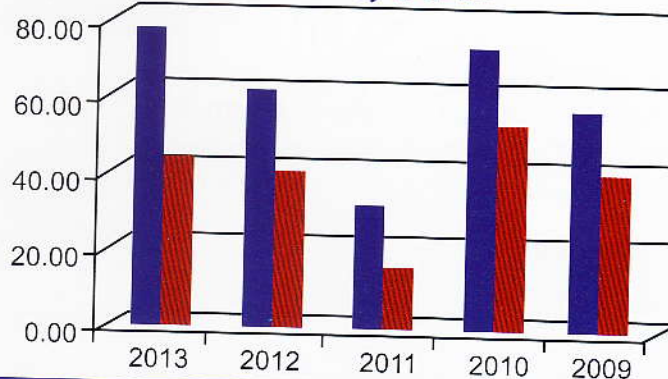
SALES



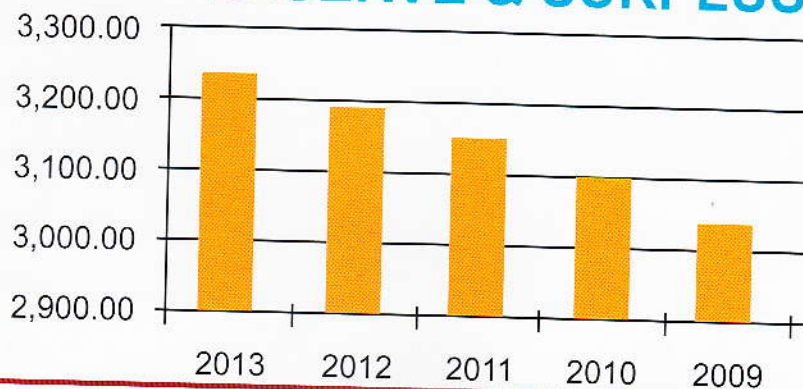
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